

Filed 6-12-17 to meg Weist and
Tedi Crawford

STATE OF TENNESSEE
Department of Commerce and Insurance
500 James Robertson Parkway
Nashville, TN 37243-1131
PH - 615.532.5260, FX - 615.532.2788
Jerald.E.Gilbert@tn.gov

June 2, 2017

Employers Mutual Casualty Company
P O Box 712, % Vice Pres. R. W. Hoffmann
Des Moines, IA 50306-0712
NAIC # 21415

Certified Mail
Return Receipt Requested
7016 0750 0000 2775 9026
Cashier # 32533

Re: Greater Memphis Casualty Company V. Employers Mutual Casualty Company
Docket # CH-17-0781

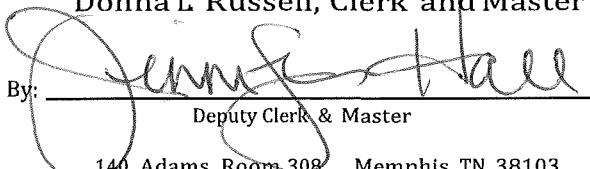
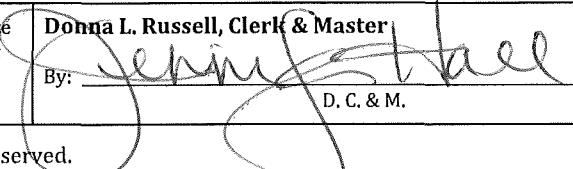
To Whom It May Concern:

Pursuant to Tennessee Code Annotated § 56-2-504 or § 56-2-506, the Department of Commerce and Insurance was served June 1, 2017, on your behalf in connection with the above-styled proceeding. Documentation relating to the subject is herein enclosed.

Jerald E. Gilbert
Designated Agent
Service of Process

Enclosures

cc: Chancery Court Clerk
Shelby County
140 Adams Street, Rm 308
Memphis, Tn 38103

STATE OF TENNESSEE 30th JUDICIAL DISTRICT CHANCERY COURT	SUMMONS**	DOCKET NUMBER CH-17-0781
Plaintiff Greater Memphis Pentecostal Assembly	Defendant Employer Mutual Casualty Company	PACT-3
TO: (NAME AND ADDRESS OF DEFENDANT) Employer Mutual Casualty Company c/o Insurance Commissioner Tennessee Department of Commerce and Insurance 500 James Robertson Pkwy Nashville, TN 37243-1204	Method of Service: <input type="checkbox"/> Shelby County Sheriff <input type="checkbox"/> Private Process Server <input type="checkbox"/> Out of County Sheriff* <input type="checkbox"/> Secretary of State* <input checked="" type="checkbox"/> Comm. Of Insurance* <input type="checkbox"/> Certified Mail <input type="checkbox"/> Other *Attach Required Fees	
<p>You are summoned to defend a civil action filed against you in the Chancery Court of Shelby County, Tennessee. Your defense to this action must be made within thirty (30) days from the date this summons is served upon you. You must file your defense with the Clerk of the Court and send a copy to the Plaintiff/Plaintiff's attorney at the address listed below. If you fail to defend this action within thirty (30) days of service, judgment by default may be rendered against you for the relief sought in the Complaint. Questions regarding this summons and the attached documents should be addressed to the Attorney/Plaintiff listed below.</p>		
Attorney for Plaintiff or Plaintiff if filing Pro Se: (Name, address & telephone number) Robert F. Uhlmann Cochran, Uhlmann, Abney, Duck & Wright 5050 Poplar Ave., Suite 1134 Memphis, TN 38157 PH: (901) 525-2426	ISSUED <u>24th</u> of <u>May</u> 20 <u>17</u> By:  Donna L. Russell, Clerk and Master 140 Adams, Room 308 Memphis, TN 38103 Deputy Clerk & Master	
TO THE SHERIFF: _____ _____ _____	Came to hand ____ day of _____ 20 ____ Sheriff	
CERTIFICATION (IF APPLICABLE)		
I, Donna L. Russell, Clerk & Master of the Chancery Court in the State of Tennessee, Shelby County, do certify this to be a true and correct copy of the original summons issued in this case.	By:  Donna L. Russell, Clerk & Master D. C. & M.	

**Submit one original and one copy for each defendant to be served.

 If you need assistance or accommodations because of a disability, please call the ADA Coordinator at (901)222-2341.

Notice of Personal Property Exemption:

TO THE DEFENDANT(S):

Tennessee law provides a ten thousand dollar (\$10,000.00) personal property exemption from execution or seizure to satisfy a judgment. If a judgment should be entered against you in this action and you wish to claim property as exempt, you must file a written list, under oath, of the items you wish to claim as exempt with the clerk of the court. The list may be filed at any time and may be changed by you thereafter as necessary; however, unless it is filed before the judgment becomes final, it will not be effective as to any execution or garnishment issued prior to the filing of the list. Certain items are automatically exempt by law and do not need to be listed; these include items of necessary wearing apparel (clothing) for yourself and your family and trunks or other receptacles necessary to contain such apparel, family portraits, the family Bible, and school books. Should any of these items be seized you would have the right to recover them. If you do not understand your exemption right or how to exercise it, you may wish to seek the counsel of a lawyer. Please state docket number on list.

RETURN OF SERVICE OF SUMMONS

I hereby certify that I HAVE served the within summons:

By delivering on the _____ day of _____, 20____ at _____ am/pm a copy of the summons and a copy of the Complaint to the following Defendant _____
at _____

By: _____
Signature of person accepting service Sheriff or other authorized person to serve process

RETURN OF NON-SERVICE OF SUMMONS

I hereby certify that I HAVE NOT served the within summons:

To the named defendant _____ because _____
is (are) not to be found in this county after diligent search and inquiry for the following reason(s): _____

This _____ day of _____, 20 _____
By: _____
Sheriff or other authorized person to serve process

RETURN ON SERVICE OF SUMMONS BY MAIL

I hereby certify and return that on the _____ day of _____, 20____, I sent, postage prepaid, by registered return receipt mail or certified return receipt mail, a certified copy of the summons and a copy of the complaint in case CH-_____ to the defendant _____. On the _____ day of _____, 20____, I received the return receipt, which had been signed by _____ on the _____ day of _____, 20 _____. The return receipt is attached to this original summons to be filed by the Chancery Court Clerk & Master.

Sworn to and subscribed before me on this _____ day of
_____, 20_____.

Signature of _____ Notary Public or _____ Deputy Court Clerk:

My Commission Expires:

Signature of Plaintiff, Plaintiff's attorney or other person
authorized by statute to serve process.

ATTACH RETURN

RECEIPT HERE

(IF APPLICABLE)

IN THE CHANCERY COURT OF TENNESSEE
FOR THE THIRTIETH JUDICIAL DISTRICT AT MEMPHIS
DOSNA L. RUSSELL, C & M
TIME: BY:

GREATER MEMPHIS PENTECOSTAL ASSEMBLY,

Plaintiff,

v.

Case No.

CH-17-0781
PART-3

EMPLOYER MUTUAL CASUALTY COMPANY,

Defendant.

COMPLAINT For Damages

COMES NOW the Plaintiff, Greater Memphis Pentecostal Assembly, hereinafter referred to as "GMPA" and sues the Defendant, Employer Mutual Casualty Company, hereinafter referred to as "EMCC" and would show unto the Court as follows:

1. The Plaintiff, GMPA is a house of worship located at 8941 East Shelby Drive 63, Memphis, TN 38125 and has been at that location at all times material herein.
2. That the defendant, EMCC is an insurance company doing business in the State of Tennessee with its principal offices in Des Moines, Iowa and said insurance company is subject to the jurisdiction of this Court.
3. On or about March 3, 2015, the Defendant insured the Plaintiff's Church building against loss or injury by fire and other perils in a policy of insurance bearing policy number 5W1-00-08-16 with amendments, running until March 15, 2016. A copy of said policy is attached hereto and marked as Exhibit "A" to the Complaint.
4. That the insured property was damaged by severe winds on or about March 3, 2016. The Defendant received notice of the claim promptly thereafter. In addition to the compromise of the roof, there was extensive damage to the interior of the building.
5. Although the Plaintiff has performed all conditions precedent to their right of

recovery under said policy of insurance, the Defendant has failed and refused to make payments to the Plaintiff in the proper amount. The failure of the Defendant to pay the Plaintiff is, and has been without justification and the payment has been withheld from the Plaintiff in bad faith. The Plaintiff has made repeated demands upon the Defendant and has provided the Defendant with all the necessary information to justify their claim. Therefore, the Plaintiff is entitled to recover in the amount of the claim under the policy and an additional amount equal to 25% of the face value amount of the policy, pursuant to T.C.A. §56-7-105.

6. At the time of the loss the Plaintiff engaged Anderson Contracting Company to prepare an estimate for replacement of the roof since the damage was so severe that the a repair to the roof would not allow warranty as to the integrity of the roofing which has been compromised by the said wind damage. This estimate is attached as collective Exhibit "B" to this Complaint. This information has previously been provided to the Defendant.

WHEREFORE, PREMISES CONSIDERED, Plaintiff Greater Memphis Pentecostal Assembly demands a judgment in the amount of \$500,000.00 plus attorney's fees and punitive damages and all interest and costs, both prejudgment and post judgment herein.

Respectfully submitted,

Cochran, Uhlmann, Abney, Duck & Wright



Robert F. Uhlmann, #4440
5050 Poplar Avenue, Suite 1134
Memphis, TN 38157
rob@cuadw.com
(901) 525-2426

EMC Insurance Companies

EMPLOYERS MUTUAL CASUALTY COMPANY

CHANGE ENDORSEMENT

POLICY PERIOD: FROM 03/15/15 TO 03/15/16 *-----*
 ----- POLICY NUMBER *-----*
 * 5 W 1 - 0 0 - 0 8 -- 16 *-----*

NAMED INSURED: -----

 GREATER MEMPHIS PENTECOSTAL HORIZON INSURANCE GROUP, LLC
 ASSEMBLY 109 DONELSON PIKE
 8941 E SHELBY DR 63 NASHVILLE TN 37214-2901
 MEMPHIS TN 38125-3306

DIRECT BILL AGENT: AS 9157
 AGENT PHONE: 615-871-4767

THIS ENDORSEMENT CHANGES THE POLICY.
 PLEASE READ IT CAREFULLY.

 * ENDORSEMENT EFFECTIVE DATES: 03/15/15 TO 03/15/16 *-----*

IN CONSIDERATION OF THE PREMIUM RETURNED THE FOLLOWING CHANGES ARE
 APPLICABLE TO THIS POLICY: SEE ATTACHED SCHEDULE
 AMENDED: LIMITS OF INSURANCE.

 RETURN PREMIUM: \$ 469.00

PLACE OF ISSUE: BIRMINGHAM, AL
 DATE OF ISSUE: 04/15/15 COUNTERSIGNED BY: (CONTINUED)
 FORM: IL1201A (ED. 01-86) 069 CF SW10008 1603

EXHIBIT

A

EMC Insurance Companies

PAGE 2

EMPLOYERS MUTUAL CASUALTY COMPANY POLICY NO: SW1-00-08---16
 GREATER MEMPHIS PENTECOSTAL EFF DATE: 03/15/15 EXP DATE: 03/15/16CHANGE ENDORSEMENT
 CONTINUED

FORMS APPLICABLE:

BP0003 (07/13), BP0202 (07/02), BP0412 (01/06), BP0417 (01/10),
 BP0430 (07/13), BP0439 (07/02), BP0523 (01/08), BP0577 (01/06),
 BP1504 (05/14), BP7001.1A (01/10), BP7001.2A (10/05), BP7001.3A (01/10),
 BP7001A (01/10)*, BP7003 (07/13), BP7100 (07/13), BP7135 (08/08),
 BP7197 (08/08), BP8065 (07/13), BP8070 (07/14), BP8071 (07/14),
 IL7004 (12/12), IL7028 (10/05), IL7131A (04/01)*, IL7137 (07/14),
 IL8383.2A (01/15), IL8384A (01/08), IL8576 (09/09), IL8720 (03/14)

Refer to prior distribution(s) for any forms not attached

PLACE OF ISSUE: BIRMINGHAM, AL
 DATE OF ISSUE: 04/15/15 COUNTERSIGNED BY:
 FORM: IL1201A (ED. 01-86) 069 CF SW10008 1603

EMC Insurance Companies

EMPLOYERS MUTUAL CASUALTY COMPANY		POLICY NUMBER: SW1-00-08---16	
GREATER MEMPHIS PENTECOSTAL		EFF DATE: 03/15/15	EXP DATE: 03/15/16
BUSINESS OWNERS POLICY DECLARATIONS			
ENDORSEMENT SCHEDULE			
FORM	EDITION DATE	DESCRIPTION/ADDITIONAL INFORMATION	PREMIUM
BP0003	07-13	BUSINESS OWNERS COVERAGE FORM	
BP0202	07-02	TN CHANGES CANCEL AND NONRENEWAL	
BP0412	01-06	LIMITATION OF CVRGE DESIG PREMISES PREMISES SEE POLICY DEC AND SCHEDULE PROJECT SEE POLICY DEC AND SCHEDULE	
BP0417	01-10	EMPLOYMENT RELATED PRACTICES EXCL	
BP0430	07-13	PROTECTIVE SAFEGUARDS	
BP0439	07-02	ABUSE OR MOLESTATION EXCLUSION	
BP0523	01-08	CAP/LOSSES/CERTIFD ACTS OF TERRORISM	
BP0577	01-06	FUNGI OR BACTERIA EXCLUSION (LIA)	
BP1504	05-14	EXCL-ACCESS/DISCLOSURE OF CONFIDENT	
BP7001.1A	01-10	BOP SCHEDULE-MISC PROP LOC LEVEL COV	
BP7001.2A	10-05	BOP SCHEDULE-MISC PROP POL LEVEL COV	
BP7001.3A	01-10	BOP SCHEDULE-SEC II-LIA AND MED PAY	
*BP7001A	01-10	BOP AUTOMATED SCHEDULE	
BP7003	07-13	BOP QUICK REFERENCE	
BP7100	07-13	BUSINESS OWNERS EXTENSION ENDORSEMENT	
BP7135	08-08	LEAD EXCLUSION	
BP7197	08-08	EQUIPMENT BREAKDOWN ENDORSEMENT	
BP8065	07-13	IMPORTANT NOTICE TO POLICYHOLDER	
BP8070	07-14	IMPORTANT NOTICE TO POLICYHOLDER	
BP8071	07-14	IMPORTANT NOTICE TO POLICYHOLDER	
IL7004	12-12	MUTUAL POLICY PROVISIONS	
IL7028	10-05	ASBESTOS EXCLUSION	
*IL7131A	04-01	COMM'L POLICY ENDORSEMENT SCHEDULE	
IL7137	07-14	EXCL MIXED DUST PNEUMOCONIOSIS	
IL8383.2A	01-15	DISCL PURSUANT TERRSM RISK INS. ACT	
IL8384A	01-08	TERRORISM NOTICE	
IL8576	09-09	MEDICARE IMPT NOTICE TO POLICYHOLDER	
IL8720	03-14	POLICYHOLDER NOTICE	
		\$ 62	
DATE OF ISSUE: 04/15/15			
FORM: IL7131A (ED. 04-01)		069	CF
		5W10008	1603

EMC Insurance Companies

EMPLOYERS MUTUAL CASUALTY COMPANY		POLICY NO: SW1-00-08---16																	
GREATER MEMPHIS PENTECOSTAL		EFF DATE: 03/15/15	EXP DATE: 03/15/16																
BUSINESS OWNERS SCHEDULE SECTION I PROPERTY																			
LOC 001 8941 E SHELBY DR # 63 MEMPHIS, TN 38125-3306																			
Deductibles: Property-\$ 5,000 For Inspection Contact: ALVIN RAY 901-409-3480 Agt: N																			
COVERAGE(S) AT LOCATION SHOWN ABOVE																			
BUILDING NUMBER 001 Description: 01 STORY MAS NONCOMB BLDG IN PROT CLASS 05 Occupancy: HOUSE OF WORSHIP Protective Safeguards: CENTRAL STATION FIRE ALARM																			
<table border="1"> <thead> <tr> <th>Coverage</th> <th>Limit of Insurance</th> <th>Spec* Ints</th> <th>Optional Coverages/ Endorsements</th> </tr> </thead> <tbody> <tr> <td>BUILDING</td> <td>\$ 1,750,600</td> <td>01</td> <td>Replacement Cost Automatic Increase-00%</td> </tr> <tr> <td>BUSINESS PERSONAL PROPERTY</td> <td>\$ 218,400</td> <td></td> <td>Replacement Cost</td> </tr> <tr> <td>BUSINESS INCOME-EXTENDED PERIOD OF INDEMNITY</td> <td>90 DAYS</td> <td></td> <td></td> </tr> </tbody> </table>				Coverage	Limit of Insurance	Spec* Ints	Optional Coverages/ Endorsements	BUILDING	\$ 1,750,600	01	Replacement Cost Automatic Increase-00%	BUSINESS PERSONAL PROPERTY	\$ 218,400		Replacement Cost	BUSINESS INCOME-EXTENDED PERIOD OF INDEMNITY	90 DAYS		
Coverage	Limit of Insurance	Spec* Ints	Optional Coverages/ Endorsements																
BUILDING	\$ 1,750,600	01	Replacement Cost Automatic Increase-00%																
BUSINESS PERSONAL PROPERTY	\$ 218,400		Replacement Cost																
BUSINESS INCOME-EXTENDED PERIOD OF INDEMNITY	90 DAYS																		
BUILDING NUMBER 002 Description: 01 STORY MAS NONCOMB BLDG IN PROT CLASS 05 Occupancy: HOME OF THE PASTOR Protective Safeguards: FIRE ALARM																			
<table border="1"> <thead> <tr> <th>Coverage</th> <th>Limit of Insurance</th> <th>Spec* Ints</th> <th>Optional Coverages/ Endorsements</th> </tr> </thead> <tbody> <tr> <td>BUILDING</td> <td>\$ 382,900</td> <td>01</td> <td>Replacement Cost Automatic Increase-00%</td> </tr> </tbody> </table>				Coverage	Limit of Insurance	Spec* Ints	Optional Coverages/ Endorsements	BUILDING	\$ 382,900	01	Replacement Cost Automatic Increase-00%								
Coverage	Limit of Insurance	Spec* Ints	Optional Coverages/ Endorsements																
BUILDING	\$ 382,900	01	Replacement Cost Automatic Increase-00%																
Special Interests																			
01 MORTGAGEE FIRST ALLIANCE BANK 464 N FRONT ST																			
DATE OF ISSUE: 04/15/15 (BPP) FORM: BP7001A ED. 01-10 BPP 12/09/14 069 CF 5W10008 1603 (CONTINUED)																			

EMC Insurance Companies

PAGE NO: 2

EMPLOYERS MUTUAL CASUALTY COMPANY POLICY NO: 5W1-00-08---16
 GREATER MEMPHIS PENTECOSTAL EFF DATE: 03/15/15 EXP DATE: 03/15/16

B U S I N E S S O W N E R S S C H E D U L E
S E C T I O N I P R O P E R T Y

MEMPHIS, TN 38105

TOTAL PREMIUM FOR CHANGES -\$ 469.00

INCLUDES COPYRIGHTED MATERIAL OF ISO PROPERTIES, INC. WITH ITS PERMISSION
 DATE OF ISSUE: 04/15/15 (BPP)
 FORM: BP7001A ED. 01-10 12/09/14 069 CF 5W10008 1603

EMC Insurance Companies

PAGE NO: 3

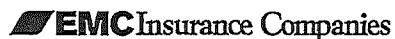
EMPLOYERS MUTUAL CASUALTY COMPANY POLICY NO: 5W1-00-08---16
 GREATER MEMPHIS PENTECOSTAL EFF DATE: 03/15/15 EXP DATE: 03/15/16

B U S I N E S S O W N E R S S C H E D U L E
S E C T I O N I I L I A B I L I T Y A N D
M E D I C A L P A Y M E N T S

Limits of Insurance
 Liability and Medical Expenses (Each Occurrence) \$1,000,000
 Medical Expenses (Per Person) \$ 10,000
 Liability and Medical Expenses Aggregate \$2,000,000
 Products/Completed Operations Aggregate \$2,000,000
 Damage to Premises Rented to You (Any One Premises) \$ 300,000

Classification/Exposure Basis	Exposure	Rate	Premium
Location 001			
Building 001 41650-Churches - not operating camps/daycare/school/charitable org	\$ 218,400	0.407	\$ 889
Exposure Basis: Limit of Insurance			
Building 002 41650-Churches - not operating camps/daycare/school/charitable org	\$ 382,900	0.407	\$ 1,558
Exposure Basis: Limit of Insurance			

INCLUDES COPYRIGHTED MATERIAL OF ISO PROPERTIES, INC. WITH ITS PERMISSION
 DATE OF ISSUE: 04/15/15 (BPP)
 FORM: BP7001.3A ED. 01-10 12/09/14 069 CF 5W10008 1603



EMPLOYERS MUTUAL CASUALTY COMPANY

CHANGE ENDORSEMENT

POLICY PERIOD: FROM 03/15/15 TO 03/15/16 *-----*
 ----- POLICY NUMBER *-----*
 * 5 W 1 - 0 0 - 0 8 - - 1 6 *

NAMED INSURED: ----- PRODUCER: -----

 GREATER MEMPHIS PENTECOSTAL HORIZON INSURANCE GROUP, LLC
 ASSEMBLY 109 DONELSON PIKE
 8941 E SHELBY DR 63 NASHVILLE TN 37214-2901
 MEMPHIS TN 38125-3306

DIRECT BILL -----

 AGENT: AS 9157
 AGENT PHONE: 615-871-4767

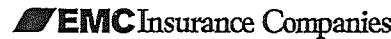
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 PLEASE READ IT CAREFULLY.

 * ENDORSEMENT EFFECTIVE DATES: 03/15/15 TO 03/15/16 *

IN CONSIDERATION OF THE PREMIUM RETURNED THE FOLLOWING CHANGES ARE
 APPLICABLE TO THIS POLICY: SEE ATTACHED SCHEDULE
 DELETED: INFLATION GUARD

 RETURN PREMIUM: \$ 176.00

PLACE OF ISSUE: BIRMINGHAM, AL
 DATE OF ISSUE: 04/11/15 COUNTERSIGNED BY: (CONTINUED)
 FORM: IL1201A (ED. 01-86) 069 CF 5W10008 1602



PAGE 2

EMPLOYERS MUTUAL CASUALTY COMPANY POLICY NO: 5W1-00-08---16
 GREATER MEMPHIS PENTECOSTAL EFF DATE: 03/15/15 EXP DATE: 03/15/16

CHANGE ENDORSEMENT
CONTINUED

FORMS APPLICABLE:

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 BP7197(08/08), BP8065(07/13), BP8070(07/14), BP8071(07/14),
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Refer to prior distribution(s) for any forms not attached

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EMC Insurance Companies

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FORM	EDITION DATE	DESCRIPTION/ADDITIONAL INFORMATION	PREMIUM
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BP0430	07-13	PROTECTIVE SAFEGUARDS	
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BP1504	05-14	EXCL-ACCESS/DISCLOSURE OF CONFIDENT	
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BP7001.3A	01-10	BOP SCHEDULE-SEC II-LIAB AND MED PAY	
*BP7001A	01-10	BOP AUTOMATED SCHEDULE	
BP7003	07-13	BOP QUICK REFERENCE	
BP7100	07-13	BUSINESS OWNERS EXTENSION ENDORSEMENT	
BP7135	08-08	LEAD EXCLUSION	
BP7197	08-08	EQUIPMENT BREAKDOWN ENDORSEMENT	
BP8065	07-13	IMPORTANT NOTICE TO POLICYHOLDER	
BP8070	07-14	IMPORTANT NOTICE TO POLICYHOLDER	
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IL7137	07-14	EXCL MIXED DUST PNEUMOCONIOSIS	
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IL8384A	01-08	TERRORISM NOTICE	
IL8576	09-09	MEDICARE IMPT NOTICE TO POLICYHOLDER	
IL8720	03-14	POLICYHOLDER NOTICE	
		\$ 67	

DATE OF ISSUE: 04/11/15
FORM: IL7131A (ED. 04-01)

069 CF

5W10008 1602

EMC Insurance Companies

EMPLOYERS MUTUAL CASUALTY COMPANY		POLICY NO: SW1-00-08---16																	
GREATER MEMPHIS PENTECOSTAL		EFF DATE: 03/15/15	EXP DATE: 03/15/16																
BUSINESS OWNERS SCHEDULE SECTION I PROPERTY																			
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Deductibles: Property-\$ 5,000 For Inspection Contact: ALVIN RAY 901-409-3480 Agt: N																			
COVERAGE(S) AT LOCATION SHOWN ABOVE																			
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BUSINESS INCOME-EXTENDED PERIOD OF INDEMNITY	90 DAYS																		
BUILDING NUMBER 002 Description: 01 STORY MBS NONCOMB BLDG IN PROT CLASS 05 Occupancy: HOME OF THE PASTOR Protective Safeguards: FIRE ALARM																			
<table border="1"> <thead> <tr> <th>Coverage</th> <th>Limit of Insurance</th> <th>Spec* Ints</th> <th>Optional Coverages/ Endorsements</th> </tr> </thead> <tbody> <tr> <td>BUILDING</td> <td>\$ 413,532</td> <td>01 Replacement Cost</td> <td>Automatic Increase-00%</td> </tr> </tbody> </table>				Coverage	Limit of Insurance	Spec* Ints	Optional Coverages/ Endorsements	BUILDING	\$ 413,532	01 Replacement Cost	Automatic Increase-00%								
Coverage	Limit of Insurance	Spec* Ints	Optional Coverages/ Endorsements																
BUILDING	\$ 413,532	01 Replacement Cost	Automatic Increase-00%																
Special Interests																			
01 MORTGAGEE FIRST ALLIANCE BANK 464 N FRONT ST																			
DATE OF ISSUE: 04/11/15		(BPP)																	
FORM: BP7001A ED. 01-10		BPP	12/09/14																
		069	CF																
		5W10008	1602																
(CONTINUED)																			

EMC Insurance Companies

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EMPLOYERS MUTUAL CASUALTY COMPANY POLICY NO: 5W1-00-08---16
GREATER MEMPHIS PENTECOSTAL EFF DATE: 03/15/15 EXP DATE: 03/15/16

BUSINESS OWNERS SCHEDULE
SECTION I PROPERTY

MEMPHIS, TN 38105

TOTAL PREMIUM FOR CHANGES -\$ 176.00

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DATE OF ISSUE: 04/11/15 (BPP)
FORM: BP7001A ED. 01-10 12/09/14 069 CF 5W10008 1602

EMC Insurance Companies

EMPLOYERS MUTUAL CASUALTY COMPANY

PRIOR POLICY: 5W1-00-08

BUSINESS OWNERS DECLARATIONS

POLICY PERIOD: FROM 03/15/15 TO 03/15/16

* POLICY NUMBER *

* 5 W 1 - 0 0 - 0 8 --- 1 6 *

NAMED INSURED:

PRODUCER:

GREATER MEMPHIS PENTECOSTAL
ASSEMBLY
8941 E SHELBY DR 63
MEMPHIS TN 38125-3306

HORIZON INSURANCE GROUP, LLC
109 DONELSON PIKE
NASHVILLE TN 37214-2901

DIRECT BILL

AGENT: AS 9157
AGENT PHONE: 615-871-4767

INSURED IS: NOT FOR PROFIT ORG Business Desc: CHURCH

In Return for the Payment of the Premium, & Subject to all the Terms of This Policy, We Agree with You to Provide the Insurance as Stated in this Policy.

PROPERTY - Businessowners Coverage Form
Refer to SECTION I-PROPERTY in the Businessowners Coverage Form and Any Schedule or Endorsements Attached.

LIAIBILITY & MEDICAL PAYMENTS
Except for Damage to Premises Rented to You, Each Paid Claim for the Following Coverages Reduces the Amount of Insurance We Provide During the Policy Period. Refer To SECTION II-LIABILITY in the Businessowners Coverage Form, the Following Schedule and Any Attached Endorsements.

Limits of Insurance

Liability and Medical Expenses (Each Occurrence)	\$ 1,000,000
Medical Expenses (Per Person)	\$ 10,000
Other Than Products/Completed Operations Aggregate	\$ 2,000,000
Products/Completed Operations Aggregate	\$ 2,000,000
Damage to Premises Rented to You (Any One Premises)	\$ 300,000

PROPERTY LIABILITY & MEDICAL PAYMENTS
The following Optional Coverages/Endorsements (and/or applicable limits) modifies insurance provided under Section I - Property and/or Section II Liability of the Businessowners Coverage Form.

Businessowners Extension Endorsement

See BP7100

*Businessowners Premium \$ 8117.00

*THE ABOVE PREMIUM MAY BE AN ADVANCE PREMIUM AND SUBJECT TO FINAL AUDIT (AND HAS BEEN AFFECTED BY THE FOLLOWING MODIFICATION FACTORS:
(Building Age Modification, Central Station Fire Alarm Modification, Number Of Stories Modification, Years In Premises Modification))

DATE OF ISSUE: 03/03/15 (BPP)
FORM: BP7000A ED. 01-10 12/09/14 069 CF 5W10008 1601

(CONTINUED)

EMC Insurance Companies

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EMPLOYERS MUTUAL CASUALTY COMPANY
GREATER MEMPHIS PENTECOSTALPOLICY NO: SW1-00-08---16
EFF DATE: 03/15/15 EXP DATE: 03/15/16**BUSINESS OWNERS DECLARATIONS**

FORMS APPLICABLE:
 BP0003 (07/13)*, BP0202 (07/02), BP0412 (01/06), BP0417 (01/10),
 BP0430 (07/13)*, BP0439 (07/02), BP0523 (01/08), BP0577 (01/06),
 BP1504 (05/14)*, BP7001.1A (01/10), BP7001.2A (10/05), BP7001.3A (01/10),
 BP7001A (01/10)*, BP7003 (07/13)*, BP7100 (07/13)*, BP7135 (08/08),
 BP7197 (08/08), BP8065 (07/13)*, BP8070 (07/14)*, BP8071 (07/14)*,
 IL7004 (12/12), IL7028 (10/05), IL7131A (04/01)*, IL7137 (07/14)*,
 IL8383.2A (01/15)*, IL8384A (01/08), IL8576 (09/09)*, IL8720 (03/14)*

Refer to prior distribution(s) for any forms not attached

 DATE OF ISSUE: 03/03/15 (BPP)
 FORM: BP7000A ED. 01-10 12/09/14 069 CF SW10008 1601
EMC Insurance Companies

EMPLOYERS MUTUAL CASUALTY COMPANY

POLICY NUMBER: SW1-00-08---16

GREATER MEMPHIS PENTECOSTAL

EFF DATE: 03/15/15 EXP DATE: 03/15/16

BUSINESS OWNERS POLICY DECLARATIONS**ENDORSEMENT SCHEDULE**

FORM	EDITION DATE	DESCRIPTION/ADDITIONAL INFORMATION	PREMIUM
*BP0003	07-13	BUSINESS OWNERS COVERAGE FORM	
BP0202	07-02	TN CHANGES CANCEL AND NONRENEWAL	
BP0412	01-06	LIMITATION OF CVRGE DESIG PREMISES PREMISES SEE POLICY DEC AND SCHEDULE PROJECT	
BP0417	01-10	EMPLOYMENT RELATED PRACTICES EXCL	
*BP0430	07-13	PROTECTIVE SAFEGUARDS	
BP0439	07-02	ABUSE OR MOLESTATION EXCLUSION	
BP0523	01-08	CAP/LOSSES/CERTIFD ACTS OF TERRORISM	
BP0577	01-06	FUNGI OR BACTERIA EXCLUSION (LIAB)	
*BP1504	05-14	EXCL-ACCESS/DISCLOSURE OF CONFIDENT	
BP7001.1A	01-10	BOP SCHEDULE-MISC PROP LOC LEVEL COV	
BP7001.2A	10-05	BOP SCHEDULE-MISC PROP POL LEVEL COV	
BP7001.3A	01-10	BOP SCHEDULE-SEC II-LIAB AND MED PAY	
*BP7001A	01-10	BOP AUTOMATED SCHEDULE	
*BP7003	07-13	BOP QUICK REFERENCE	
*BP7100	07-13	BUSINESS OWNERS EXTENSION ENDORSEMENT	
BP7135	08-08	LEAD EXCLUSION	
BP7197	08-08	EQUIPMENT BREAKDOWN ENDORSEMENT	
*BP8065	07-13	IMPORTANT NOTICE TO POLICYHOLDER	
*BP8070	07-14	IMPORTANT NOTICE TO POLICYHOLDER	
*BP8071	07-14	IMPORTANT NOTICE TO POLICYHOLDER	
IL7004	12-12	MUTUAL POLICY PROVISIONS	
IL7028	10-05	ASBESTOS EXCLUSION	
*IL7131A	04-01	COMM'L POLICY ENDORSEMENT SCHEDULE	
*IL7137	07-14	EXCL MIXED DUST PNEUMOCONIOSIS	
*IL8383.2A	01-15	DISCL PURSUANT TERRSM RISK INS. ACT	
IL8384A	01-08	TERRORISM NOTICE	
*IL8576	09-09	MEDICARE IMPT NOTICE TO POLICYHOLDER	
*IL8720	03-14	POLICYHOLDER NOTICE	

\$ 67

 DATE OF ISSUE: 03/03/15
 FORM: IL7131A (ED. 04-01) 069 CF SW10008 1601



EMPLOYERS MUTUAL CASUALTY COMPANY
GREATER MEMPHIS PENTECOSTAL

POLICY NUMBER: SW1-00-08---16
EFF DATE: 03/15/15 EXP DATE: 03/15/16

T E R R O R I S M N O T I C E

This insurance may include coverage for certified acts of terrorism as defined in the Terrorism Risk Insurance Act, as amended.

Attached you will find a disclosure, which identifies the specific charge for certified acts of terrorism.

YOU MAY HAVE THE OPTION TO REJECT THIS TERRORISM COVERAGE

For additional information, please contact your agent

DATE OF ISSUE: 03/03/15
FORM: IL8384A (01-08)

069 CF SW10008 1601



EMPLOYERS MUTUAL CASUALTY COMPANY
GREATER MEMPHIS PENTECOSTAL

POLICY NUMBER: SW1-00-08---16
EFF DATE: 03/15/15 EXP DATE: 03/15/16

THIS DISCLOSURE IS ATTACHED TO YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS DISCLOSURE DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

**D I S C L O S U R E P U R S U A N T T O
T E R R O R I S M R I S K I N S U R A N C E A C T**

S C H E D U L E
Terrorism Premium (Certified Acts) \$67.00

A. Disclosure Of Premium:

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorism acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this disclosure or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses:

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. For losses occurring in 2015, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. Beginning on January 1, 2016, the federal share will decrease by one percentage point per calendar year until equal to 80% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses:

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

The following statement is required to be part of the disclosure notice in MISSOURI:

The premium above is for certain losses resulting from certified acts of terrorism as covered pursuant to coverage provisions, limitations and exclusions in this policy. You should read the definition in your policy carefully, but generally speaking, "certified" acts of terrorism are acts that exceed \$5 million in aggregate losses to the insurance industry and which are subsequently declared by the U.S. Secretary of the Treasury as a certified terrorist act under the Terrorism Risk Insurance Act. Some losses resulting from certified acts of terrorism are not covered. Read your policy and endorsements carefully.

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DATE OF ISSUE: 03/03/15
FORM: IL8383.2A(01-15)

069 CF SW10008 1601

EMC Insurance Companies

EMPLOYERS MUTUAL CASUALTY COMPANY GREATER MEMPHIS PENTECOSTAL		POLICY NO: SW1-00-08---16 EFF DATE: 03/15/15 EXP DATE: 03/15/16
BUSINESS OWNERS SCHEDULE SECTION I PROPERTY		
LOC 001 8941 E SHELBY DR # 63 MEMPHIS, TN 38125-3306		
Deductibles: Property-\$ 5,000 For Inspection Contact: ALVIN RAY 901-409-3480 Agt: N		
COVERAGE(S) AT LOCATION SHOWN ABOVE		
BUILDING NUMBER 001		
Description: 01 STORY MAS NONCOMB BLDG IN PROT CLASS 05		Occupancy: HOUSE OF WORSHIP
Protective Safeguards: CENTRAL STATION FIRE ALARM		
Coverage	Limit of Spec* Insurance Ints	Optional Coverages/ Endorsements
BUILDING	\$ 1,890,648 01	Replacement Cost Automatic Increase-08%
BUSINESS PERSONAL PROPERTY	\$ 222,768	Replacement Cost
BUSINESS INCOME-EXTENDED PERIOD OF INDEMNITY	90 DAYS	
BUILDING NUMBER 002		
Description: 01 STORY MAS NONCOMB BLDG IN PROT CLASS 05		Occupancy: HOME OF THE PASTOR
Protective Safeguards: FIRE ALARM		
Coverage	Limit of Spec* Insurance Ints	Optional Coverages/ Endorsements
BUILDING	\$ 413,532 01	Replacement Cost Automatic Increase-08%
Special Interests		
DATE OF ISSUE: 03/03/15 (BPP) FORM: BP7001A ED. 01-10		(CONTINUED) SW10008 1601

EMC Insurance Companies

EMPLOYERS MUTUAL CASUALTY COMPANY GREATER MEMPHIS PENTECOSTAL		POLICY NO: SW1-00-08---16 EFF DATE: 03/15/15 EXP DATE: 03/15/16
BUSINESS OWNERS SCHEDULE SECTION I PROPERTY		
01 MORTGAGEE FIRST ALLIANCE BANK 464 N FRONT ST MEMPHIS, TN 38105		
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EMC Insurance Companies

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EMPLOYERS MUTUAL CASUALTY COMPANY POLICY NO: 5W1-00-08---16
GREATER MEMPHIS PENTECOSTAL EFF DATE: 03/15/15 EXP DATE: 03/15/16

**BUSINESS OWNERS SCHEDULE
MISCELLANEOUS PROPERTY LOCATION LEVEL COVERAGES**

Loc	Coverage	Limit of Insurance	Spec* Ints	Optional Coverages
001 OUTDOOR SIGNS-DEDUCTIBLE \$500		[\$ 3,000]	1	

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EMC Insurance Companies

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EMPLOYERS MUTUAL CASUALTY COMPANY POLICY NO: 5W1-00-08---16
GREATER MEMPHIS PENTECOSTAL EFF DATE: 03/15/15 EXP DATE: 03/15/16

**BUSINESS OWNERS SCHEDULE
MISCELLANEOUS PROPERTY
POLICY LEVEL COVERAGES**

Coverage	Limits of Insurance
EQUIPMENT BREAKDOWN	See BP7197

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FORM: BP7001.2A ED. 10-05 12/09/14 069 CF 5W10008 1601



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EMPLOYERS MUTUAL CASUALTY COMPANY POLICY NO: SW1-00-08---16
GREATER MEMPHIS PENTECOSTAL EFF DATE: 03/15/15 EXP DATE: 03/15/16

B U S I N E S S O W N E R S S C H E D U L E
S E C T I O N I I L I A B I L I T Y A N D
M E D I C A L P A Y M E N T S

Classification/Exposure Basis	Exposure	Rate	Premium
Location 001			
Building 001 41650-Churches - not operating camps/daycare/school/charitable org	\$ 222,768	0.407	\$ 906
Exposure Basis: Limit of Insurance			
Building 002 41650-Churches - not operating camps/daycare/school/charitable org	\$ 413,532	0.407	\$ 1,683
Exposure Basis: Limit of Insurance			

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DATE OF ISSUE: 03/03/15 (BPP)
FORM: BP7001.3A ED. 01-10 12/09/14 069 CF SW10008 1601

BUSINESSOWNERS
BP 00 03 07 13

BUSINESSOWNERS COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this Coverage Form, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

In Section II - Liability, the word "insured" means any person or organization qualifying as such under Paragraph C. Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph H. Property Definitions in Section I - Property and Paragraph F. Liability And Medical Expenses Definitions in Section II - Liability.

SECTION I - PROPERTY

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property includes Buildings as described under Paragraph a. below, Business Personal Property as described under Paragraph b. below, or both, depending on whether a Limit Of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under Paragraph 2. Property Not Covered.

a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;

(5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:

- (a) Fire extinguishing equipment;
- (b) Outdoor furniture;
- (c) Floor coverings; and
- (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(6) If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the buildings or structures;
- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

b. Business Personal Property located in or on the buildings or structures at the described premises or in the open (or in a vehicle) within 100 feet of the buildings or structures or within 100 feet of the premises described in the Declarations, whichever distance is greater, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph E.5.d.(3)(b);
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2); and

(5) Exterior building glass, if you are a tenant and no Limit Of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:

 - (1) Money And Securities Optional Coverage; or
 - (2) Employee Dishonesty Optional Coverage;

- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:

 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;

- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;
- h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";

- i. "Electronic data", except as provided under Additional Coverages – Electronic Data. This Paragraph i. does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system; or
- j. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.

3. Covered Causes Of Loss

Direct physical loss unless the loss is excluded or limited under Section I – Property.

4. Limitations

- a. We will not pay for loss of or damage to:

 - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.
 - (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - (5) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

- (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- (6) Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (a) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (b) Changes in or extremes of temperature;
 - (c) Disease;
 - (d) Frost or hail; or
 - (e) Rain, snow, ice or sleet.
- b. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - (1) Animals, and then only if they are killed or their destruction is made necessary.
 - (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
 - (a) Glass that is part of the exterior or interior of a building or structure;
 - (b) Containers of property held for sale; or
 - (c) Photographic or scientific instrument lenses.
 - c. For loss or damage by theft, the following types of property are covered only up to the limits shown, (unless a higher Limit Of Insurance is shown in the Declarations):
 - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (d) Remove property of others of a type that would not be Covered Property under this policy;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;
 - (f) Extract "pollutants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to Paragraph (3)(a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

(4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

Example 1

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 50,000
Amount of Loss Payable	\$ 49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$ 10,000
Debris Removal Expense	
Payable	\$ 10,000
	(\$10,000 is 20% of \$50,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense (\$49,500 + \$10,000 = \$59,500) is less than the Limit of Insurance. Therefore, the full amount of debris removal expense is payable in accordance with the terms of Paragraph (3).

Example 2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 - \$500)
Debris Removal Expense	\$ 40,000
Debris Removal Expense	
Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 25,000

The basic amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows: \$80,000 (\$79,500 + \$500) x .25 = \$20,000; capped at \$10,500. The cap applies because the sum of the loss payable (\$79,500) and the basic amount payable for debris removal expense (\$10,500) cannot exceed the Limit of Insurance (\$90,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 is 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of Loss, we will pay for any direct physical loss of or damage to that property:

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500 for service at each premises described in the Declarations, unless a different limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

d. Collapse

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in Paragraphs d.(1) through d.(7).

(1) For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

(2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:

(a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

(b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

(c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

(d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

(i) A cause of loss listed in Paragraph (2)(a) or (2)(b);

(ii) One or more of the "specified causes of loss";

(iii) Breakage of building glass;

(iv) Weight of people or personal property; or

(v) Weight of rain that collects on a roof.

(3) This Additional Coverage - Collapse does not apply to:

(a) A building or any part of a building that is in danger of falling down or caving in;

(b) A part of a building that is standing, even if it has separated from another part of the building; or

(c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

(4) With respect to the following property:

(a) Awnings;

(b) Gutters and downspouts;

(c) Yard fixtures;

(d) Outdoor swimming pools;

(e) Piers, wharves and docks;

(f) Beach or diving platforms or appurtenances;

(g) Retaining walls; and

(h) Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d), we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.

(5) If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

- (a) The collapse of personal property was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d) of this Additional Coverage;
- (b) The personal property which collapses is inside a building; and
- (c) The property which collapses is not of a kind listed in Paragraph (4), regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (5) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

(6) This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, tearing, settling, shrinkage or expansion.

(7) This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this policy.

(8) The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in Paragraphs d.(1) through d.(7).

e. Water Damage, Other Liquids, Powder Or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage, but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1) Results in discharge of any substance from an automatic fire protection system; or
- (2) Is directly caused by freezing.

f. Business Income

(1) Business Income

(a) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises mean:

- (i) The portion of the building which you rent, lease or occupy;
- (ii) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (iii) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

(b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.

(c) Business Income means the:

(i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and

(ii) Continuing normal operating expenses incurred, including payroll.

(d) Ordinary payroll expenses:

(i) Means payroll expenses for all your employees except:

- i. Officers;
- ii. Executives;
- iii. Department Managers;
- iv. Employees under contract; and
- v. Additional Exemptions shown in the Declarations as:

- Job Classifications; or
- Employees.

(ii) Include:

- i. Payroll;
- ii. Employee benefits, if directly related to payroll;
- iii. FICA payments you pay;
- iv. Union dues you pay; and
- v. Workers' compensation premiums.

(2) Extended Business Income

(a) If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

(i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and

(ii) Ends on the earlier of:

i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

ii. 60 consecutive days after the date determined in Paragraph (a)(i) above, unless a greater number of consecutive days is shown in the Declarations.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.

(b) Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.

(3) With respect to the coverage provided in this Additional Coverage, suspension means:

(a) The partial slowdown or complete cessation of your business activities; or

(b) That a part or all of the described premises is rendered untenantable, if coverage for Business Income applies.

(4) This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

g. Extra Expense

(1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises mean:

- (a) The portion of the building which you rent, lease or occupy;
- (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

(2) Extra Expense means expense incurred:

- (a) To avoid or minimize the suspension of business and to continue "operations":
 - (i) At the described premises; or
 - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
- (b) To minimize the suspension of business if you cannot continue "operations".

(c) To:

- (i) Repair or replace any property; or
- (ii) Research, replace or restore the lost information on damaged "valuable papers and records"; to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage f. Business Income.

(3) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; or
- (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

(4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance of Section I - Property.

h. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay for each location under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

i. Civil Authority

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for necessary Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends;

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance of Section I - Property.

j. Money Orders And "Counterfeit Money"

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation;
- (2) "Counterfeit money" that is acquired during the regular course of business. The most we will pay for any loss under this Additional Coverage is \$1,000.

k. Forgery Or Alteration

(1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act and will be treated the same as the original it replaced.

- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500, unless a higher Limit Of Insurance is shown in the Declarations.

I. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.

- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in Paragraphs (3) through (9) of this Additional Coverage.

(3) The ordinance or law referred to in Paragraph (2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.

(4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a) You were required to comply with before the loss, even when the building was undamaged; and
- (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or

- (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot.

(6) The most we will pay under this Additional Coverage, for each described building insured under Section I – Property, is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced, at the same or another premises; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.

(8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.

(9) The costs addressed in the Loss Payment Property Loss Condition in Section I – Property do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

m. Business Income From Dependent Properties

(1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property or secondary dependent property caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss at the premises of a dependent property or secondary dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property or secondary dependent property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is \$5,000 unless a higher Limit Of Insurance is indicated in the Declarations.

(2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:

- (a) Source of materials; or
- (b) Outlet for your products.

(3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

(4) Dependent property means property owned by others whom you depend on to:

- (a) Deliver materials or services to you, or to others for your account. But services does not mean water supply services, wastewater removal services, communication supply services or power supply services;

(b) Accept your products or services;

(c) Manufacture your products for delivery to your customers under contract for sale; or

(d) Attract customers to your business.

The dependent property must be located in the coverage territory of this policy.

(5) Secondary dependent property means an entity which is not owned or operated by a dependent property and which:

- (a) Delivers materials or services to a dependent property, which in turn are used by the dependent property in providing materials or services to you; or

(b) Accepts materials or services from a dependent property, which in turn accepts your materials or services.

A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a secondary dependent property.

Any property which delivers any of the following services is not a secondary dependent property with respect to such services:

- (i) Water supply services;
- (ii) Wastewater removal services;
- (iii) Communication supply services; or
- (iv) Power supply services.

The secondary dependent property must be located in the coverage territory of this policy.

(6) The coverage period for Business Income under this Additional Coverage:

(a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property or secondary dependent property; and

(b) Ends on the date when the property at the premises of the dependent property or secondary dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(7) The Business Income coverage period, as stated in Paragraph (6), does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

(a) Regulates the construction, use or repair, or requires the tearing down of any property; or

(b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not reduce the Business Income coverage period.

(8) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

n. Glass Expenses

(1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

(2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

o. Fire Extinguisher Systems Recharge Expense

(1) We will pay:

(a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and

(b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

(2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.

(3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

p. Electronic Data

(1) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore "electronic data" which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.

(2) The Covered Causes of Loss applicable to Business Personal Property include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

(3) The most we will pay under this Additional Coverage – Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit Of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

(4) This Additional Coverage does not apply to your "stock" of prepackaged software, or to "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

q. Interruption Of Computer Operations

(1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.

(2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

(a) Coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" and Collapse.

(b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.

(c) The Covered Causes of Loss include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

(3) The most we will pay under this Additional Coverage – Interruption Of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000 unless a higher Limit Of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

(4) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.

(5) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.

(6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.

(7) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot

(1) The coverage described in Paragraphs r.(2) and r.(6) only applies when the "fungi", wet rot or dry rot is the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

(2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:

(a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;

(b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and

(c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.

(3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs, in a later policy period.

(4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

(5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

(6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage:

(a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

(b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

6. Coverage Extensions

In addition to the Limits of Insurance of Section I – Property, you may extend the insurance provided by this policy as provided below.

Except as otherwise provided, the following extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Buildings, you may extend that insurance to apply to:

(a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at premises other than the one described, intended for:

(I) Similar use as the building described in the Declarations; or

(II) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$250,000 at each building.

(2) Business Personal Property

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (a) Business Personal Property, including such property that you newly acquire, at any location you acquire; or
- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

The most we will pay for loss or damage under this Extension is \$100,000 at each building.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as Covered Property.

b. Personal Property Off-premises

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than trees, shrubs or plants which are part of a vegetated roof), including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion; or
- (5) Aircraft.

The most we will pay for loss or damage under this Extension is \$2,500, unless a higher Limit Of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

d. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees, including temporary or leased employees. This extension does not apply to:

- (1) Tools or equipment used in your business; or
- (2) Loss or damage by theft.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises.

e. Valuable Papers And Records

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.

(2) This Coverage Extension does not apply to:

- (a) Property held as samples or for delivery after sale; and
- (b) Property in storage away from the premises shown in the Declarations.

(3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$10,000, unless a higher Limit Of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$5,000.

(4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

(5) Paragraph B. Exclusions in Section I – Property does not apply to this Coverage Extension except for:

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War And Military Action;

- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense;
- (f) Paragraph B.2.m.(2), Errors Or Omissions; and
- (g) Paragraph B.3.

f. Accounts Receivable

(1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

(2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

(3) Paragraph B. Exclusions in Section I – Property does not apply to this Coverage Extension except for:

- (a) Paragraph B.1.c., Governmental Action;
- (b) Paragraph B.1.d., Nuclear Hazard;
- (c) Paragraph B.1.f., War And Military Action;
- (d) Paragraph B.2.f., Dishonesty;
- (e) Paragraph B.2.g., False Pretense;
- (f) Paragraph B.3.; and
- (g) Paragraph B.6., Accounts Receivable Exclusion.

g. Business Personal Property Temporarily In Portable Storage Units

(1) You may extend the insurance that applies to Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the buildings or structures described in the Declarations or within 100 feet of the described premises, whichever distance is greater.

(2) The limitation under Paragraph A.4.a.(5) also applies to property in a portable storage unit.

(3) Coverage under this Extension:

- (a) Will end 90 days after the Business Personal Property has been placed in the storage unit;
- (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days as of the time of loss or damage.

(4) Under this Extension, the most we will pay for the total of all loss or damage to Business Personal Property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units.

(5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to loss or damage to the storage unit itself.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Ordinance Or Law

- (1) The enforcement of or compliance with any ordinance or law:
 - (a) Regulating the construction, use or repair of any property; or

- (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance Or Law, applies whether the loss results from:
 - (a) An ordinance or law that is enforced even if the property has not been damaged; or
 - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in Paragraphs (1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or volcanic action, we will pay for the loss or damage caused by that fire, building glass breakage or volcanic action.

Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

With respect to coverage for volcanic action as set forth in 5(a), (5)(b) and 5(c), all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread, if the fire would be covered under this policy.

d. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the loss or damage caused by that fire.

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water or other utility service, results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

This exclusion does not apply to loss or damage to "computer(s)" and "electronic data".

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

(1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

(2) Mudslide or mudflow;

(3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

(4) Water under the ground surface pressing on, or flowing or seeping through:

(a) Foundations, walls, floors or paved surfaces;

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings; or

(5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (5), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. Certain Computer-related Losses

- (1) The failure, malfunction or inadequacy of:
 - (a) Any of the following, whether belonging to any insured or to others:
 - (i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
 - (ii) "Computer" application software or other "electronic data" as may be described elsewhere in this policy;
 - (iii) "Computer" operating systems and related software;
 - (iv) "Computer" networks;
 - (v) Microprocessors ("computer" chips) not part of any "computer" system; or
 - (vi) Any other computerized or electronic equipment or components; or
 - (b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

(2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph (1) above.

However, if excluded loss or damage, as described in Paragraph (1) above, results in a "specified cause of loss" under Section I – Property, we will pay only for the loss or damage caused by such "specified cause of loss".

We will not pay for repair, replacement or modification of any items in Paragraph (1)(a) or (1)(b) to correct any deficiencies or change any features.

i. "Fungi", Wet Rot Or Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot.

But if "fungi", wet rot or dry rot results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion does not apply:

- (1) When "fungi", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.

j. Virus Or Bacteria

(1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

(2) However, the exclusion in Paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion i.

(3) With respect to any loss or damage subject to the exclusion in Paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Electrical Apparatus

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1) Electrical current, including arcing;
- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or
- (4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 100 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

Smoke, vapor or gas from agricultural smudging or industrial operations.

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

e. Frozen Plumbing

Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

Dishonest or criminal acts (including theft) by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees (including temporary or leased employees), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

g. False Pretense

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

h. Exposed Property

Rain, snow, ice or sleet to personal property in the open.

i. Collapse

(1) Collapse, including any of the following conditions of property or any part of the property:

- (a) An abrupt falling down or caving in;
- (b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to Paragraph i.(1)(a) or i.(1)(b).

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

(2) This Exclusion i. does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The "specified causes of loss";
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.

j. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

k. Neglect

Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

l. Other Types Of Loss

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;

- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;

- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

This exclusion does not apply with respect to the breakdown of "computer(s)".

- (7) The following causes of loss to personal property:

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature; or
- (c) Marring or scratching.

But if an excluded cause of loss that is listed in Paragraphs (1) through (7) above results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

m. Errors Or Omissions

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

n. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section I – Property.

However, we will pay for direct loss or damage caused by lightning.

p. Continuous Or Repeated Seepage Or Leakage Of Water

Continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 days or more.

- 3. We will not pay for loss or damage caused by or resulting from any of the following Paragraphs a. through c. But if an excluded cause of loss that is listed in Paragraphs a. through c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather Conditions

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph B.1. above to produce the loss or damage.

b. Acts Or Decisions

Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Negligent Work

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property on or off the described premises.

4. Additional Exclusion

The following applies only to the property specified in this Additional Exclusion:

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that compromises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

5. Business Income And Extra Expense Exclusions

a. We will not pay for:

- (1) Any Extra Expense, or increase of Business Income loss, caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage.

- (2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

- (1) The partial slowdown or complete cessation of your business activities; and

- (2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

6. Accounts Receivable Exclusion

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

- a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

- b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

- c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Limits Of Insurance

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limits Of Insurance of Section I – Property shown in the Declarations.

- 2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

- 3. The amounts of insurance applicable to the Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance of Section I – Property:

- a. Fire Department Service Charge;
- b. Pollutant Clean-up And Removal;
- c. Increased Cost Of Construction;

- d. Business Income From Dependent Properties;
- e. Electronic Data; and

- f. Interruption Of Computer Operations.

4. Building Limit – Automatic Increase

- a. In accordance with Paragraph C.4.b., the Limit of Insurance for Buildings will automatically increase by 8%, unless a different percentage of annual increase is shown in the Declarations.

b. The amount of increase is calculated as follows:

(1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date or any other policy change amending the Building limit by:

(a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or

(b) .08, if no percentage of annual increase is shown in the Declarations; and

(2) Multiply the number calculated in accordance with b.(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

Example

If:

The applicable Building limit is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$$\$100,000 \times .08 \times 146 \div 365 = \$3,200.$$

5. Business Personal Property Limit – Seasonal Increase

a. Subject to Paragraph 5.b., the Limit of Insurance for Business Personal Property is automatically increased by:

(1) The Business Personal Property – Seasonal Increase percentage shown in the Declarations; or

(2) 25% if no Business Personal Property – Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

b. The increase described in Paragraph 5.a. will apply only if the Limit Of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

(1) The 12 months immediately preceding the date the loss or damage occurs; or

(2) The period of time you have been in business as of the date the loss or damage occurs.

D. Deductibles

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section I – Property.

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

- a. Money and Securities;
- b. Employee Dishonesty;
- c. Outdoor Signs; and
- d. Forgery or Alteration.

But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

3. No deductible applies to the following Additional Coverages:

- a. Fire Department Service Charge;
- b. Business Income;
- c. Extra Expense;
- d. Civil Authority; and
- e. Fire Extinguisher Systems Recharge Expense.

E. Property Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

3. Duties In The Event Of Loss Or Damage

a. You must see that the following are done in the event of loss or damage to Covered Property:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of Section I – Property. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

(9) Resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

No one may bring a legal action against us under this insurance unless:

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

5. Loss Payment

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph d.(1)(e) below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in Paragraphs (2) through (7) below, we will determine the value of Covered Property as follows:
 - (1) At replacement cost without deduction for depreciation, subject to the following:
 - (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (i) The Limit of Insurance under Section I – Property that applies to the lost or damaged property;

- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
 - i. Of comparable material and quality; and
 - ii. Used for the same purpose; or

- (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.

- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:

- (i) The actual cash value of the lost or damaged property; or

- (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the full replacement cost of the property.

Example

The full replacement cost of property which suffers a total loss is \$100,000. The property is insured for \$70,000. 80% of the full replacement cost of the property immediately before the loss is \$80,000 (\$100,000 x .80 = \$80,000). A partial loss of \$25,000 is sustained. The amount of recovery is determined as follows:

Amount of recovery

$$\begin{aligned} \$70,000 \div \$80,000 &= .875 \\ .875 \times \$25,000 &= \$21,875 \end{aligned}$$

- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.

- (d) We will not pay on a replacement cost basis for any loss or damage:

- (i) Until the lost or damaged property is actually repaired or replaced; and
- (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of Paragraphs d.(1)(a) and d.(1)(b) above whether or not the actual repair or replacement is complete.

- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

- (2) If the Actual Cash Value - Buildings option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.

- (3) The following property at actual cash value:

- (a) Used or secondhand merchandise held in storage or for sale;

- (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;

- (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
- (d) Manuscripts; and
- (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.

- (4) Glass at the cost of replacement with safety glazing material if required by law.

- (5) Tenants' improvements and betterments at:

- (a) Replacement cost if you make repairs promptly.

- (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

- (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

- (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

- (c) Nothing if others pay for repairs or replacement.

- (6) Applicable only to the Optional Coverages:

- (a) "Money" at its face value; and

- (b) "Securities" at their value at the close of business on the day the loss is discovered.

- (7) Applicable only to accounts receivable:

- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:

- (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and

- (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.

- (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:

- (i) The amount of the accounts for which there is no loss or damage;

- (ii) The amount of the accounts that you are able to reestablish or collect;

- (iii) An amount to allow for probable bad debts that you are normally unable to collect; and

- (iv) All unearned interest and service charges.

- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and:

- (1) We have reached agreement with you on the amount of loss; or

- (2) An appraisal award has been made.

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. But then you must return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limits of Insurance of Section I – Property.

7. Resumption Of Operations

We will reduce the amount of your:

- a. Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

8. Vacancy

a. Description Of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in Paragraphs (a) and (b) below:

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
 - (ii) Used by the building owner to conduct customary operations.
- (2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;

- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in Paragraphs (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

F. Property General Conditions

1. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

2. Mortgageholders

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this policy at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

All of the terms of this policy will then apply directly to the mortgageholder.

e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

At our option, we may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
- (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

4. Policy Period, Coverage Territory

Under Section I – Property:

a. We cover loss or damage commencing:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

b. The coverage territory is:

- (1) The United States of America (including its territories and possessions);
- (2) Puerto Rico; and
- (3) Canada.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below:

1. Outdoor Signs

a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

- (1) Owned by you; or
- (2) Owned by others but in your care, custody or control.

b. Paragraph A.3., Covered Causes Of Loss and Paragraph B., Exclusions in Section I – Property do not apply to this Optional Coverage, except for:

- (1) Paragraph B.1.c., Governmental Action;
- (2) Paragraph B.1.d., Nuclear Hazard; and
- (3) Paragraph B.1.f., War And Military Action.

c. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

d. The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance for Outdoor Signs shown in the Declarations.

e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Money And Securities

a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:

- (1) Theft, meaning any act of stealing;
- (2) Disappearance; or
- (3) Destruction.

b. In addition to the Limitations and Exclusions applicable to Section I – Property, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
- (2) Due to the giving or surrendering of property in any exchange or purchase; or
- (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

c. The most we will pay for loss in any one occurrence is:

- (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
- (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.

d. All loss:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of related acts;

is considered one occurrence.

e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

3. Employee Dishonesty

a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

- (1) Cause you to sustain loss or damage; and also
- (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.

b. We will not pay for loss or damage:

- (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.

- (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph a.), "managers" or directors:

- (a) Whether acting alone or in collusion with other persons; or
- (b) While performing services for you or otherwise.

- (3) The only proof of which as to its existence or amount is:

- (a) An inventory computation; or
- (b) A profit and loss computation.

- (4) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.

c. The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance for Employee Dishonesty shown in the Declarations.

d. All loss or damage:

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of acts;

is considered one occurrence.

e. If any loss is covered:

- (1) Partly by this insurance; and
- (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

f. This Optional Coverage is cancelled as to any employee immediately upon discovery by:

- (1) You; or
- (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.

h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:

- (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

i. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

- (1) This Optional Coverage as of its effective date; or
- (2) The prior insurance had it remained in effect.

j. With respect to the Employee Dishonesty Optional Coverage in Paragraph G.3., employee means:

- (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Who you compensate directly by salary, wages or commissions; and
 - (c) Who you have the right to direct and control while performing services for you;

- (2) Any natural person who is furnished temporarily to you:
 - (a) To substitute for a permanent employee, as defined in Paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term workload conditions;
- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
- (4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

4. Equipment Breakdown Protection Coverage

- a. We will pay for direct loss of or damage to Covered Property caused by or resulting from a mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment.

Mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment does not mean any:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (3) Damage to any vacuum tube, gas tube, or brush; or
- (4) The functioning of any safety or protective device.

- b. Paragraphs A.4.a.(1) and A.4.a.(2), Limitations, do not apply to this Optional Coverage.
- c. With respect to the coverage provided by this Optional Coverage, the following exclusions in Paragraph B. Exclusions do not apply:
 - (1) Paragraph B.2.a., Electrical Apparatus;
 - (2) Paragraph B.2.d., Steam Apparatus; and
 - (3) Paragraph B.2.l.(6), Mechanical Breakdown.
- d. With respect to the coverage provided by this Optional Coverage, Paragraph G.1.c.(5) of the Outdoor Signs Optional Coverage does not apply.
- e. If a dollar deductible is shown in the Declarations for this Optional Coverage, we will first subtract the applicable deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.
- f. With respect to Additional Coverages 5.f. Business Income and 5.g. Extra Expense, if the 72-hour time period in the definition of "period of restoration" (hereinafter referred to as time deductible) is amended for this Optional Coverage as shown in the Declarations, we will not pay for any Business Income loss that occurs during the consecutive number of hours shown as the time deductible in the Declarations immediately following a mechanical breakdown or electrical failure. If a time deductible is shown in days, each day shall mean 24 consecutive hours.
- With respect to the coverage provided by this Optional Coverage, any time deductible shown in the Declarations for Equipment Breakdown Protection Coverage supersedes any time deductible otherwise applicable to the Business Income coverage provided by this policy.
- g. With respect to the coverage provided by this Optional Coverage, Paragraph H. Property Definitions is amended as follows:
 - 1. "Computer" means:
 - a. Programmable electronic equipment that is used to store, retrieve and process data; and
 - b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production-type machinery or equipment.

- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.
- "Computer" includes those used to operate production-type machinery or equipment.

- h. Whenever any covered pressure, mechanical or electrical machinery and equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may suspend coverage provided by this Optional Coverage for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment.

However, coverage provided by this Optional Coverage may be reinstated for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment if the reasons for the suspension are found by any of our representatives to no longer exist.

We may suspend or reinstate this Optional coverage by mailing or delivering a written notification regarding the suspension or reinstatement to:

- (1) Your last known address; or
- (2) The address where the pressure, mechanical or electrical machinery and equipment is located.

This notification will indicate the effective date of the suspension or reinstatement.

If the coverage provided by this Optional Coverage is not reinstated, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

H. Property Definitions

- 1. "Computer" means:
 - a. Programmable electronic equipment that is used to store, retrieve and process data; and
 - b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production-type machinery or equipment.

- 2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

- 3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.

- 4. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

- 5. "Manager" means a person serving in a directorial capacity for a limited liability company.

- 6. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

- 7. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Traveler's checks, register checks and money orders held for sale to the public.

- 8. "Operations" means your business activities occurring at the described premises.

- 9. "Period of restoration":
 - a. Means the period of time that:
 - (1) Begins:
 - (a) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (b) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

(2) Ends on the earlier of:

- (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (b) The date when business is resumed at a new permanent location.

b. Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".

10. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

11. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

12. "Specified causes of loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss of or damage to:

- (1) Personal property in the open; or
- (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in c.(1) or c.(2) of this definition of "specified causes of loss", such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the ground surface.

13. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

14. "Valuable papers and records" means inscribed, printed or written:

- a. Documents;
- b. Manuscripts; and
- c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities".

SECTION II – LIABILITY

A. Coverages

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Paragraph D. Liability And Medical Expenses Limits Of Insurance in Section II – Liability; and
- (2) Our right and duty to defend end when we have used up the applicable Limit of Insurance in the payment of judgments or settlements or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph f. Coverage Extension – Supplementary Payments.

b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:
- (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
- (b) The "bodily injury" or "property damage" occurs during the policy period; and

- (c) Prior to the policy period, no insured listed under Paragraph C.1. Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.
- (2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.
- (c) "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.
- (d) "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph C.1. Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- (e) Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

f. Coverage Extension – Supplementary Payments

- (1) We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - (a) All expenses we incur.
 - (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
 - (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
 - (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
 - (e) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

- (2) If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - (a) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract".
 - (b) This insurance applies to such liability assumed by the insured;
 - (c) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - (d) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - (e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - (f) The indemnitee:
 - (i) Agrees in writing to:
 - i. Cooperate with us in the investigation, settlement or defense of the "suit";
 - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - iii. Notify any other insurer whose coverage is available to the indemnitee; and

iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

- (ii) Provides us with written authorization to:

- i. Obtain records and other information related to the "suit"; and
- ii. Conduct and control the defense of the indemnitee in such "suit".

- (3) So long as the conditions in Paragraph (2) are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph B.1.b.(2) Exclusions in Section II – Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in Paragraph (2)(f) above, are no longer met.

2. Medical Expenses

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations; provided that:
 - (a) The accident takes place in the "coverage territory" and during the policy period;
 - (b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of Section II – Liability. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

B. Exclusions

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or

- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies even if the claims allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by an insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:

- (a) Employment by the insured; or

- (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (III) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) Any insured; or
- (ii) Any person or organization for whom you may be legally responsible;

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (II) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

- (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement or such claim or "suit" by or on behalf of a governmental authority.

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
 - (b) The operation of any of the following machinery or equipment:
 - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

- "Bodily injury" or "property damage" arising out of:
 - (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
 - (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

i. War

- "Bodily injury", "property damage" or "personal and advertising injury", however caused, arising, directly or indirectly, out of:
 - (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.

j. Professional Services

- "Bodily injury", "property damage" or "personal and advertising injury" caused by the rendering or failure to render any professional service. This includes but is not limited to:
 - (1) Legal, accounting or advertising services;
 - (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
 - (3) Supervisory, inspection or engineering services;
 - (4) Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;
 - (5) Any health or therapeutic service treatment, advice or instruction;
 - (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

- (8) Body piercing services; and
- (9) Services in the practice of pharmacy.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering or failure to render of any professional service.

k. Damage To Property

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven or fewer consecutive days. A separate Limit of Insurance applies to Damage To Premises Rented To You as described in Paragraph D. Liability And Medical Expenses Limits Of Insurance in Section II – Liability.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

I. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

m. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

n. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

o. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

p. Personal And Advertising Injury

"Personal and advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (8) Committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of web sites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under Paragraph F. Liability And Medical Expenses Definitions.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, by itself, is not considered the business of advertising, broadcasting, publishing or telecasting;

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (10) With respect to any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants";
- (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;
- (12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".
However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan;
- (13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

q. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.
However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

r. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

s. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

Exclusions c., d., e., f., g., h., i., k., l., m., n. and o. in Section II – Liability do not apply to damage by fire to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph D. Liability And Medical Expenses Limits of Insurance in Section II – Liability.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

- a. To any insured, except "volunteer workers".
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
- e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Business Liability Coverage.

3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion

This insurance does not apply:

- a. Under Business Liability Coverage, to "bodily injury" or "property damage".
- (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

- (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:
 - (1) The "nuclear material":
 - (a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility"; but if such facility is located within the United States of America, its territories or possessions or Canada, this Exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
- d. As used in this exclusion:
 - (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

- (2) "Hazardous properties" include radioactive, toxic or explosive properties;
- (3) "Nuclear facility" means:
 - (a) Any "nuclear reactor";
 - (b) Any equipment or device designed or used for:
 - (I) Separating the isotopes of uranium or plutonium;
 - (II) Processing or utilizing "spent fuel"; or
 - (III) Handling, processing or packaging "waste";
 - (c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
- (4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
- (5) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (6) "Property damage" includes all forms of radioactive contamination of property;
- (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

- (10) "Waste" means any waste material:
 - (a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and
 - (b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs (a) and (b) of the definition of "nuclear facility".

C. Who Is An Insured

- 1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
- 2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph (a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (a) or (b); or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by;

- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;
 - you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

D. Liability And Medical Expenses Limits Of Insurance

1. The Limits of Insurance of Section II – Liability shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".

2. The most we will pay for the sum of all damages because of all:

- a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
- b. "Personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

- 3. The most we will pay under Business Liability Coverage for damages because of "property damage" to a premises while rented to you or in the case of fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the highest Damage To Premises Rented To You limit shown in the Declarations.

4. Aggregate Limits

The most we will pay for:

- a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.
- b. All:
 - (1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
 - (2) Plus medical expenses;
 - (3) Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses limit.

Subject to Paragraph a. or b. above, whichever applies, the Damage To Premises Rented To You limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of Section II – Liability apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

E. Liability And Medical Expenses General Conditions

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this policy:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Separation Of Insureds

Except with respect to the Limits of Insurance of Section II – Liability, and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

F. Liability And Medical Expenses Definitions

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
- 2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".
- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or

c. All other parts of the world if the injury or damage arises out of:

(1) Goods or products made or sold by you in the territory described in Paragraph a. above;

(2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or

(3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by:

(1) The repair, replacement, adjustment or removal of "your product" or "your work"; or

(2) Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f does not include that part of any contract or agreement:

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

(a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection or engineering services.

10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

11. "Loading or unloading" means the handling of property:

a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, on which are permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

- b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

- a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or

- (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
- b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

- a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
- b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - (2) The providing of or failure to provide warnings or instructions.

SECTION III – COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I – PROPERTY AND SECTION II – LIABILITY)

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. Five days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) Seasonal unoccupancy; or
 - (b) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

- (2) After damage by a Covered Cause of Loss, permanent repairs to the building:
 - (a) Have not started; and
 - (b) Have not been contracted for; within 30 days of initial payment of loss.
- (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
- (5) Failure to:
 - (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Concealment, Misrepresentation Or Fraud

This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceals or misrepresents a material fact concerning:

1. This policy;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this policy.

D. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

E. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe and healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

F. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

G. Liberalization

If we adopt any revision that would broaden the coverage under this policy without additional premium within 45 days prior to or during the policy period, the broadened coverage will immediately apply to this policy.

H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section I -- Property.

2. Business Liability Coverage is excess over:

- a. Any other insurance that insures for direct physical loss or damage; or
- b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured.

3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

- a. Paid to us prior to the anniversary date; and
- b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.

2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

3. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

- a. Prior to a loss to your Covered Property.

b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

- (1) Someone insured by this insurance;
- (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

L. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

BUSINESS OWNERS
BP 02 02 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TENNESSEE CHANGES

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM

Section III – Common Policy Conditions is amended as follows:

A. Paragraph A. Cancellation is amended as follows:

1. Paragraph 2.a. does not apply.

2. Paragraph 5. is replaced by the following:

5. If this policy is cancelled, we will send the first Named Insured any premium refund due.

The refund will be pro rata if:

a. We cancel; or

b. The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

The refund may be less than pro rata if the first Named Insured cancels the policy.

The cancellation will be effective even if we have not made or offered a refund.

3. The following paragraph is added:

7. **Cancellation Of Policies In Effect For 60 Days Or More**

If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

a. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;

b. Your conviction of a crime increasing any hazard insured against;

c. Discovery of fraud or material misrepresentation on the part of either of the following:

(1) You or your representative in obtaining this insurance; or
(2) You in pursuing a claim under this policy;

d. Failure to comply with written loss control recommendations;

e. Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;

f. Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;

g. Your violation or breach of any policy terms or conditions; or

h. Other reasons that are approved by the insurance commissioner.

Notice of cancellation will state the reason for cancellation.

B. The following is added to Paragraph I. Premiums:

5. Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the first Named Insured.

D. The following paragraph is added:

M. Nonrenewal

1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured and agent, at least 60 days before the expiration date unless:

a. We have offered to issue a renewal policy; or

b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.

2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

POLICY NUMBER:

BUSINESS OWNERS
BP 04 12 01 06

BUSINESS OWNERS
BP 04 17 01 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM

SCHEDULE

A. Premises:

B. Project:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Section II – Liability:

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

BP 04 12 01 06

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Page 1 of 1

BP 04 17 01 10

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Page 1 of 1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM

The following exclusion is added to Paragraph B.1. Exclusions – Applicable To Business Liability Coverage in Section II – Liability:

This insurance does not apply to "bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

(2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraph (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

POLICY NUMBER:

BUSINESS OWNERS
BP 04 30 07 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM

SCHEDULE

Premises Number	Building Number	Protective Safeguards Symbols Applicable	Description Of "P-9" If Applicable

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. The following is added to the Property General Conditions in Section I – Property:

Protective Safeguards

1. As a condition of this insurance, you are required to maintain the protective devices or services listed in the Schedule above.

2. The protective safeguards to which this endorsement applies are identified by the following symbols:

a. "P-1" Automatic Sprinkler System, including related supervisory services.

Automatic Sprinkler System means:

(1) Any automatic fire protective or extinguishing system, including connected:

(a) Sprinklers and discharge nozzles;

(b) Ducts, pipes, valves and fittings;

(c) Tanks, their component parts and supports; and

(d) Pumps and private fire protection mains.

(2) When supplied from an automatic fire protective system:

(a) Nonautomatic fire protective systems; and

(b) Hydrants, standpipes and outlets.

b. "P-2" Automatic Fire Alarm, protecting the entire building, that is:

(1) Connected to a central station; or

(2) Reporting to a public or private fire alarm station.

c. "P-3" Security Service, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

d. "P-4" Service Contract, with a privately owned fire department providing fire protection service to the described premises.

e. "P-5" Automatic Commercial Cooking Exhaust And Extinguishing System, installed on cooking appliances and having the following components:

(1) Hood;

- (2) Grease removal device;
- (3) Duct system; and
- (4) Wet chemical fire extinguishing equipment.

f. "P-9", the protective system described in the Schedule.

B. The following is added to Paragraph B. Exclusions in Section I – Property:

We will not pay for loss or damages caused by or resulting from fire if, prior to the fire, you:

- 1. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or

- 2. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

If part of an Automatic Sprinkler System or Automatic Commercial Cooking Exhaust And Extinguishing System is shut off due to breakage, leakage, freezing conditions or opening of sprinkler heads, notification to us will not be necessary if you can restore full protection within 48 hours.

BUSINESSOWNERS
BP 04 39 07 02

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following applies to Section II – Liability and supersedes any provision to the contrary:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- (a) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
- (b) The negligent:
 - (i) Employment;

- (ii) Investigation;
- (iii) Supervision;
- (iv) Reporting to the proper authorities, or failure to so report; or
- (v) Retention;
 - of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by (a) above.

BUSINESSOWNERS
BP 05 23 01 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

CAP ON CERTIFIED TERRORISM LOSSES

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

B. The following provision is added to Businessowners Standard Property Coverage Form BP 00 01, Businessowners Special Property Coverage Form BP 00 02 or Section I – Property of Businessowners Coverage Form BP 00 03:

APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

BUSINESS OWNERS
BP 05 77 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION (LIABILITY)

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM

The following provisions are added to Section II – Liability:

A. The following exclusion is added to Paragraph B.1., Exclusions – Applicable To Business Liability Coverage:

t. Fungi Or Bacteria

(1) "Bodily injury", "property damage" or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

(2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

B. The following definition is added: Paragraph F. Liability And Medical Expenses Definitions:

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

BUSINESS OWNERS
BP 15 04 05 14

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – WITH LIMITED BODILY INJURY EXCEPTION

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM

A. Exclusion B.1.q. of Section II – Liability is replaced by the following:

This insurance does not apply to:

q. Access Or Disclosure Of Confidential Or Personal Information And Data-related Liability

- (1) Damages, other than damages because of "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of that which is described in Paragraph (1) or (2) above.

However, unless Paragraph (1) above applies, this exclusion does not apply to damages because of "bodily injury".

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

B. The following is added to Paragraph B.1.p. Personal And Advertising Injury Exclusion of Section II – Liability:

This insurance does not apply to:

p. Personal And Advertising Injury

"Personal and advertising injury":

Arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

QUICK REFERENCE

BUSINESS OWNERS POLICY

READ YOUR POLICY CAREFULLY

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BUSINESS OWNERS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS OWNERS EXTENSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM

SECTION I – PROPERTY

With respect to coverage provided by this endorsement, the provisions of the Businessowners Coverage Form apply, unless modified by this endorsement. The coverage provided by this endorsement applies separately to each location for which this endorsement is shown in the Declarations.

1. A. Coverage, 5. Additional Coverages, c. Fire Department Service Charge, i. Civil Authority, j. Money Orders And "Counterfeit Money", k. Forgery Or Alteration, Paragraph (4), l. Increased Cost Of Construction, Paragraph (6), m. Business Income From Dependent Properties, Paragraphs (1) and (5)(a), and o. Fire Extinguisher Systems Recharge Expense, Paragraph (3) are replaced by the following:

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$10,000 for service at each premises described in the Declarations, unless a different limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to loss; or
- (2) Required by local ordinance.

i. Civil Authority

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

BUSINESS OWNERS

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority Coverage for Business Income will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority Coverage for necessary Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority Coverage for Business Income ends; whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

j. Money Orders And "Counterfeit Money"

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services.

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or

- (2) "Counterfeit money" that is acquired during the regular course of business.

The most we will pay for any loss under this Additional Coverage is \$2,500.

k. Forgery Or Alteration

- (4) The most we will pay for any loss in any one occurrence, including legal expenses, under this Additional Coverage is \$10,000, unless a higher Limit Of Insurance is shown in the Declarations.

I. Increased Cost Of Construction

(6) The most we will pay under this Additional Coverage, for each described building insured under Section I – Property, is \$25,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$25,000.

The amount payable under this Additional Coverage is additional insurance.

m. Business Income from Dependent Properties

(1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property or secondary dependent property caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss at the premises of a dependent property or a secondary dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property or secondary dependent property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is \$10,000 at each described premises due to damage from a Covered Cause Of Loss at any one dependent property.

(6) The coverage period for Business Income under this Additional Coverage:

(a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises of the dependent property or secondary dependent property; and

o. Fire Extinguisher Systems Recharge Expense

(3) The most we will pay under this Additional Coverage is \$10,000 in any one occurrence.

2. A. Coverage, 5. Additional Coverages, f. Business Income**f. Business Income****(5) Newly Acquired Locations**

a. You may extend your Business Income Coverage to apply to property at any location you acquire other than at fairs or exhibitions.

b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$250,000 at each location.

c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (1) This policy expires;
- (2) 90 days expire after you acquire or begin to construct the property; or
- (3) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property.

3. A. Coverage, 5. Additional Coverages is amended by adding the following coverage:

s. Lock Replacement and Rekeying

We will pay the necessary expenses you incur to replace or rekey locks made necessary due to theft or unauthorized copying of keys or any other legitimate security concern.

This insurance does not apply to loss caused by:

- (1) Vandalism; or
- (2) Wear and Tear.

The most we will pay under this additional coverage during each policy period is \$1,000.

Lock replacement and rekeying is not subject to a deductible.

t. Spoilage Coverage

(1) This policy is extended to cover "perishable stock" at the described premises owned by you or by others that is in your care, custody or control.

"Perishable stock" is defined as personal property that is:

- (a) Maintained under controlled conditions for its preservation; and
- (b) Susceptible to loss or damage if the controlled conditions change.

(2) For the purpose of this extension only, the Covered Cause of Loss is defined as:

(a) Breakdown or Contamination, meaning:

- (i) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, but only while such equipment or apparatus is at the described premises; or
- (ii) Contamination by the refrigerant.

(b) Power Outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

(3) For the purpose of this Additional Coverage only, the following Exclusions are added:

We will not pay for loss or damage caused by or resulting from:

- (a) The disconnection of any refrigerating, cooling or humidity control system from the source of power.

- (b) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current.

- (c) The inability of an Electrical Utility Company or other power source to provide sufficient power due to:

- (i) Lack of fuel;
- (ii) Governmental order; or
- (iii) Lack of generating capacity to meet demand.

- (d) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

(4) Conditions

The following condition applies in addition to the Property Loss Conditions (as modified in (a) above) and Property General Conditions in Section I – Property and Section III – Common Policy Conditions:

Additional Condition – Refrigeration Maintenance Agreements

You must maintain a refrigeration maintenance or service agreement as described below. If you do not maintain this required agreement, the insurance provided by this endorsement will be automatically suspended at the location involved.

A refrigeration maintenance agreement means a written service contract, between you and the refrigeration service organization, which provides for regular periodic inspection of the refrigeration equipment at the insured location, and the servicing and repair of the equipment, including emergency response at the insured location.

(5) The most we will pay under this Additional Coverage is \$5,000 per any one occurrence. This limit does not apply in addition to any limit shown for this coverage in the Declarations.

(6) This Additional Coverage, Spoilage will not increase the Limit Of Insurance provided in this policy.

(7) If Petroleum Marketers Industry Extension, form BP7148 applies, this Additional Coverage does not apply.

u. Arson And Theft Rewards

We will reimburse you for rewards paid by you to any person or persons, other than you, your officers, "managers", your employees or your active "members", for information leading to an arson or theft conviction in connection with a covered loss to covered property resulting from fire of theft.

The most we will pay under this Additional Coverage is \$5,000 per loss. This is the most we will pay regardless of the number of persons who provided information.

v. Water Back-Up And Sump Overflow

(1) We will pay for direct physical loss or damage to Covered Property, covered under Section I – Property, caused by or resulting from:

- (a) Water which backs up through or overflows from a sewer or drain; or

- (b) Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to Paragraph (b) above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of a mechanical breakdown.

(2) The coverage described in Paragraph (1) of this Additional Coverage does not apply to loss or damage resulting from:

- (a) An insured's failure to keep a sump pump or its related equipment in proper working condition; or

- (b) An insured's failure to perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions; or

- (c) Sump pump failure which is caused by or results from failure of power, unless this policy is endorsed to cover power failure affecting the described premises.

(3) With respect to the coverage provided under this Additional Coverage, Exclusion B.1.g. Water in Section I – Property is replaced by the following:

g. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water under the ground surface pressing on, or flowing or seeping through:
 - (a) Foundations, walls, floors or paved surfaces;
 - (b) Basements, whether paved or not;
 - (c) Doors, windows or other openings; or
- (4) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1. or 3., or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (4), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraph g.(1) through g.(4), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- (5) For the purposes of this Additional Coverage, the term drain includes a roof drain and related fixtures.
- (6) The most we will pay for this Additional Coverage in any annual policy period, regardless of the number of locations scheduled, occurrences, accidents, insureds or claims made is \$5,000 for Water Back-Up And Sump Overflow.

w. Employee Dishonesty

- (1) We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (a) Cause you to sustain loss or damage; and also

(b) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:

- (i) Any employee; or
- (ii) Any other person or organization.

- (2) We will not pay for loss or damage:
 - (a) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
 - (b) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph (1), "managers" or directors:
 - (i) Whether acting alone or in collusion with other persons; or
 - (ii) While performing services for you or otherwise.
 - (c) The only proof of which as to its existence or amount is:
 - (i) An inventory computation; or
 - (ii) A profit and loss computation.
 - (d) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors, or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.

(3) The most we will pay under this Additional Coverage for loss or damage in any one occurrence is \$10,000. This limit does not apply in addition to any limit shown for this coverage in the Declarations.

- (4) All loss or damage:
 - (a) Caused by one or more persons; or
 - (b) Involving a single act or series of acts; is considered one occurrence.
- (5) If any loss is covered:
 - (a) Partly by this insurance; and
 - (b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

- (6) This coverage is cancelled as to any employee immediately upon discovery by:
 - (a) You; or
 - (b) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;
 - of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- (8) If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this coverage, provided:
 - (a) This coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (b) The loss or damage would have been covered by this coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance under Paragraph (8) above is part of, not in addition to, the Limit of Insurance applying to this coverage and is limited to the lesser of the amount recoverable under:
 - (a) This coverage as of its effective date; or
 - (b) The prior insurance had it remained in effect.

x. Utility Services – Direct Damage

(1) Coverage

We will pay for loss of or damage to Covered Property caused by an interruption in utility service to the described premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the property described in (3) below and located off the described premises.

(2) Exception

Coverage under this Additional Coverage for loss or damage to Covered Property does not apply to loss or damage to "electronic data", including destruction or corruption of "electronic data".

(3) Utility Services

(a) Water Supply Property, meaning the following types of property supplying water to the described premises:

- (i) Pumping stations; and
- (ii) Water mains.

(b) Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services to the described premises, such as:

- (i) Communication transmission lines, including optic fiber transmission lines;
- (ii) Coaxial cables; and
- (iii) Microwave radio relays except satellites.

Communication Supply Property does not include overhead transmission lines.

(c) Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines.

Power Supply Property does not include overhead transmission lines.

(4) As used in this Additional Coverage, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

(5) The most we will pay for loss or damage under this Additional Coverage is \$10,000 in any one occurrence. This Additional Coverage, Utility Services – Direct Damage, will not increase the Limits of Insurance provided by this policy. This limit does not apply in addition to any limit shown for this coverage in the Declarations.

4. A. Coverage, 6. Coverage Extensions, a. Newly Acquired Or Constructed Property, b. Personal Property Off Premises, c. Outdoor Property, d. Personal Effects, e. Valuable Papers And Records, Paragraph (3), and f. Accounts Receivable, Paragraph (2) are replaced by the following:

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Buildings, you may extend that insurance to apply to:

(a) Your new buildings while being built on the described premises; and

- (b) Buildings you acquire at premises other than the one described, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000 at each building.

(2) Business Personal Property

- (a) If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (i) Business Personal Property, including such property that you newly acquire, at any location you acquire.

- (ii) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

The most we will pay for loss or damage under this Extension is \$250,000 at each premises.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

- (a) This policy expires;
- (b) 90 days expire after you acquire the property or begin construction of that part of the building that would qualify as Covered Property; or
- (c) You report values to us.

We will charge you additional premium for values reported from the date you acquire the property or begin construction of that part of the building that would qualify as Covered Property.

b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or temporarily at a premises not described in the Declarations. The most we will pay for loss or damage under this Extension is \$25,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than trees, shrubs or plants which are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss:

- (1) Fire;
- (2) Lightning;
- (3) Explosion;
- (4) Riot or Civil Commotion;
- (5) Aircraft or Vehicles;
- (6) Windstorm or Hail;
- (7) Smoke; or
- (8) Vandalism.

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$1,000 for any one tree, shrub or plant. This limit does not apply in addition to any limit shown for Outdoor Signs coverage in the Declarations.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

d. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees, including temporary or leased employees. This extension does not apply to:

- (1) Tools or equipment used in your business; or
- (2) Loss or damage by theft.

If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss in excess of the amount due from that other insurance. At our option any loss covered under this extension may be adjusted with and payable to you.

The most we will pay for loss or damage under this Extension is \$10,000 at each described premises.

e. Valuable Papers And Records

- (3) The most we will pay under this Coverage extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$25,000, unless a higher Limit Of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$10,000.

f. Accounts Receivable

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$25,000, unless a higher Limit Of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$10,000.

5. A. Coverage, 6. Coverage Extensions is amended by adding the following coverage:

h. Money And Securities

- (1) We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, or while in the custody of a person you have authorized to have custody of the "money" or "securities", at the described premises, or in transit between any of these places resulting directly from:

- (a) Theft, meaning any act of stealing;
- (b) Disappearance; or
- (c) Destruction.

- (2) In addition to the Limitations and Exclusions applicable to Section I – Property, we will not pay for loss:

- (a) Resulting from accounting or arithmetic errors or omissions;
- (b) Due to the giving or surrendering of property in any exchange or purchase; or
- (c) Of property contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

(3) All loss:

- (a) Caused by one or more persons; or

(b) Involving a single act or series of related acts;

is considered one occurrence.

(4) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

(5) In the event of loss or damage we will determine the value as follows:

(a) "Money" at its face value; and

(b) "Securities" at their value at the close of business on the day the loss is discovered.

(6) The most we will pay under this Extension for loss in any one occurrence is \$10,000. This limit does not apply in addition to any limit shown for this coverage in the Declarations.

i. Premises Damage Resulting From Burglary or Robbery

We will pay for loss or damage to the building at the described premises caused by or resulting from actual or attempted burglary or robbery if you are legally obligated to pay such loss or damage. The most we will pay under this Extension is \$5,000 at each described premises.

j. Claims Data Expense

We will pay up to \$5,000 for reasonable costs you incur in preparing loss data required by policy conditions after a covered property loss. This includes the cost of taking inventory, making appraisals and preparing other data to determine the extent of your loss.

We will not pay for expenses or fees you incur from public insurance adjusters or for expenses related to claims not covered by this policy.

k. Fine Arts

We will pay for loss or damage, including breakage, to your fine arts or fine arts of others in your care, custody or control. For the purpose of this Extension fine arts means antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains; rare books; antique silver; rare glass; manuscripts and other bona fide works of art of rarity, historical value or artistic merit.

We will determine the value of the fine arts at market value at the time of loss or damage.

In case of loss or damage to a pair or set, we will pay you the full value of the pair or set and you agree to surrender the remaining articles of the set to us.

Our payment for loss or damage to fine arts of others will only be for the account of the owner of the property. If other insurance exists for loss or damage covered under this Extension, whether it can be collected or not, this Extension will not apply to that part of the loss.

The most we will pay under this Extension is \$25,000.

6. **C. Limits Of Insurance**, 2. \$1,000 limitation to outdoor signs attached to buildings, is deleted.
7. The following is added to Section D. Deductibles:
 4. With respect to the coverages provided by this endorsement, we will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds \$500 or the Property Deductible shown on the Businessowners Declarations, whichever is less. We will then pay the amount of loss or damage in excess of \$500 or the Property Deductible shown on the Businessowners Declarations, whichever is less, up to the applicable Limit of Insurance.

8. Under H. Property Definitions

Paragraph 9.a. of the "Period of Restoration" definition is replaced by the following:

a. Begins immediately after the time of direct physical loss or damage caused by or resulting from any covered cause of loss at the described premises; and

9. Throughout the forms modified by this endorsement the words "within 100 feet" are replaced with "within 1,000 feet."

10. Brands and Labels

a. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss, we may take all or any part of the property at an agreed or appraised value. If so, you may:

(1) Stamp "salvage" on the merchandise or its containers, if the stamp will not physically damage the merchandise; or

(2) Remove the brands or labels, if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with the law.

b. We will pay reasonable costs you incur to perform the activity described in a.(1) or a.(2) above. But the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

SECTION II – LIABILITY

Section II – Liability is amended to include the following clarifications and extensions of coverage. The provisions of the coverage form apply unless modified by the endorsement.

1. The insurance provided under Paragraphs A.1.f.(1)(b) and A.1.f.(1)(d) of Coverage Extension – Supplementary Payments are replaced by the following:

(b) Up to \$3,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.

(d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit," including actual loss of earnings up to \$350 a day because of time off from work.

2. Paragraph A.2.a.(3)(b). Medical Expenses is replaced by the following:

(b) The expenses are incurred and reported to us within three years of the date of the accident; and

3. With respect to B.1. Exclusions Applicable To Business Liability Coverage, Paragraphs k.(3), k.(4), k.(6) and l. do not apply to the use of elevators.

The insurance afforded by this provision is excess over any valid and collectible property insurance (including any deductible) available to the insured, and the Other Insurance Condition is changed accordingly.

4. The following is added to Paragraph C.1. Who Is An Insured:

f. Any legally incorporated subsidiary in which you own more than 50% of the voting stock on the effective date of this policy. However, an insured does not include any subsidiary that is an insured under any other general liability policy, or would have been an insured under such policy but for termination of that policy or the exhaustion of that policy's limits of liability.

5. The following is added to Paragraph C. Who Is An Insured:

3. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization.

However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Paragraph A.1. Business Liability does not apply to:

(1) "Bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

(2) "Personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture, or limited liability company that is not shown as a Named Insured in the Declarations.

This provision does not apply to newly formed or acquired organizations if coverage is excluded either by the provisions of the Coverage Part or by endorsements.

6. The following is added to Paragraph E.2. Liability And Medical Expenses General Conditions, Duties In The Event of Occurrence, Offense, Claim Or Suit:

e. The requirement in Paragraph E.2.a. that you must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim, applies only when the "occurrence" or offense is known to:

- (1) You, if you are an individual or a limited liability company;
- (2) A partner, if you are a partnership;
- (3) A manager, if you are a limited liability company;
- (4) An "executive officer" or an insurance manager, if you are a corporation; or

7. Paragraph F.3. Liability And Medical Expenses Definitions is replaced by the following:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish or death, resulting from any of these at any time.

BUSINESS OWNERS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – LEAD

This endorsement modifies the insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM

A. The following exclusion is added to Paragraph B. Exclusions in Section II – Liability

B. EXCLUSIONS

This insurance does not apply to:

Lead

1. "Bodily injury", "property damage", or "personal and advertising injury" arising, in whole or in part, out of actual, alleged, threatened or suspected inhalation of, ingestion of, or absorption of, exposure to, or presence of "lead."

2. Any loss, cost or expense arising, in whole or in part, out of any:

(a) Request, demand or order that any insured or others test for, abate, remove, monitor, clean up, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of "lead"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, abating, cleaning up, removing, containing, treating, monitoring, detoxifying or neutralizing or in any way responding to or assessing the effects of "lead."

B. The following definition is added to Paragraph F. Liability and Medical Expenses Limits of Insurance in Section II – Liability:

"Lead" means lead in any form, whether in combination with, an ingredient of, or as a component of any substance or material.

All other terms, conditions, exclusions and provisions of the policy apply.

BUSINESS OWNERS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM

A. The following is added to Paragraph A.3. Covered Causes of Loss in Section I – Property:

Additional Coverage – Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an "accident." As used in this Additional Coverage, "accident" means a fortuitous event that causes direct physical damage to "covered equipment." The event must be one of the following:

- mechanical breakdown, including rupture or bursting caused by centrifugal force;
- artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
- loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. The following coverages also apply to the direct result of an "accident." These coverages do not provide additional amounts of insurance.

a. Expedited Expenses

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- make temporary repairs; and
- expedite permanent repairs or permanent replacement.

The most we will pay for loss or expense under this coverage is \$50,000.

b. Hazardous Substances

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, is \$50,000.

c. Service Interruption

(1) Any insurance provided for Business Income or Extra Expense is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an "accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

(2) We will not pay for Business Income you sustain that results from the interruption of utility services during the first 24 hours following the "accident." However, if the "period of restoration" begins more than 24 hours after the time of the direct physical damage for Business Income, then that time period will apply instead of the 24 hours provided for in this paragraph.

(3) The most we will pay in any "one accident" for loss, damage or expense under this coverage is the limit that applies to Business Income or Extra Expense.

d. Business Income and Extra Expense

Any insurance provided under this policy for Business Income or Extra Expense is extended to the coverage provided by this endorsement.

B. The following is added to Paragraph B. Exclusions:

Equipment Breakdown Exclusions

All exclusions in the Businessowners Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

1. The exclusions are modified as follows:

a. The following is added to Exclusion B.1.g.:
However, if electrical "covered equipment" requires drying out because of Water as described in g.(1) through g.(3) above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

b. As respects this endorsement only, the next to the last paragraph in Exclusion B.1.h. is deleted and replaced with the following:

However, if excluded loss or damage, as described in Paragraph (1) above results in an "accident," we will pay only for the loss, damage or expense caused by such "accident."

c. As respects this endorsement only, the last paragraph of Exclusion B.2.l. is deleted and replaced with the following:

But if an excluded cause of loss that is listed in 2.l.(1) through (7) results in an "accident," we will pay for the loss, damage or expense caused by that "accident."

d. The following is added to Exclusions B.2.m. and B.2.n.:

We will also pay for direct physical loss or damage caused by an "accident."

2. We will not pay under this endorsement for loss, damage or expense caused by or resulting from:

a. any defect, programming error, programming limitation, computer virus, malicious code, loss of data, loss of access, loss of use, loss of functionality or other condition within or involving "electronic data" of any kind. But if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident";

b. any of the following tests:

- a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment;
- c. misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance. But if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident";
- d. change in temperature or humidity, whether or not resulting from an "accident"; or
- e. contamination by refrigerant resulting from an "accident".

3. With respect to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.

4. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:

- a. loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
- b. any increase in loss resulting from an agreement between you and your customer or supplier.

5. We will not pay under this endorsement for any loss or damage to animals.

C. CONDITIONS

The following conditions are in addition to the Conditions in the Businessowners Coverage Form.

1. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:

- a. your last known address; or
- b. the address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

2. Jurisdictional Inspections

If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

3. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

D. DEDUCTIBLE

As respects this endorsement only, paragraph D.1. of the Businessowners Coverage Form is deleted and replaced with the following:

We will not pay for loss or damage in any "one accident" until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Section I – Property.

E. The following definitions are added:

1. "Covered equipment"

- a. "Covered equipment" means Covered Property:
 - (1) that generates, transmits or utilizes energy, or
 - (2) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

b. None of the following is "covered equipment":

- (1) structure, foundation, cabinet, compartment or air supported structure or building;
- (2) insulating or refractory material;

(3) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;

(4) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;

(5) "vehicle" or any equipment mounted on a "vehicle";

(6) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;

(7) dragline, excavation or construction equipment;

(8) equipment manufactured by you for sale; or

(9) "computer(s)" unless used to control or operate "covered equipment."

2. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

3. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."

4. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.

BUSINESS OWNERS

2013 BUSINESS OWNERS MULTISTATE FORMS REVISION
ADVISORY NOTICE TO POLICYHOLDERS

This is a summary of the major changes to your policy. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, THE PROVISIONS OF THIS POLICY SHALL PREVAIL.

The areas within the policy that broaden or reduce coverage, and other changes, are highlighted below. This notice does not reference every editorial change made in your policy.

BUSINESS OWNERS COVERAGE FORM BP0003

SECTION I – PROPERTY
BROADENINGS OF COVERAGE

Business Personal Property – Coverage Radius

The Business Personal Property coverage grant is revised to extend coverage 100 feet from the building or 100 feet from the described premises.

Vegetated Roofs

Property Not Covered is revised to make an exception for lawns, trees, shrubs and plants which are part of a vegetated roof, thereby treating such property as an insured part of the building, so that an existing vegetated roof can be replaced with like kind in the event of a loss, subject to policy terms and certain limitations. Accordingly, lawns, trees, shrubs and plants which are part of a vegetated roof are no longer covered under the more limited Outdoor Property Coverage Extension. The Limited Coverage For Fungi, Wet Rot Or Dry Rot Additional Coverage is revised to expressly state that the coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

Electronic Data In Building Equipment

Property Not Covered is revised to make an exception for electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system. Such electronic data is now Covered Property and is subject to the policy's full limits of insurance for a loss not otherwise excluded. The Electronic Data and Interruption Of Computer Operations Additional Coverages are revised to reinforce that coverage does not apply to such electronic data.

Debris Removal

The additional Limit of Insurance for debris removal expense, provided for under the Debris Removal Additional Coverage, is increased from \$10,000 to \$25,000.

Further, coverage for debris removal is expanded to include the expense of removing debris of certain property of others. The total expense for all debris removal is subject to the limitations stated in the policy concerning amount of coverage, including the aforementioned additional limit of insurance. However, when no Covered Property sustains direct physical loss or damage, coverage for the removal of debris of others' property is limited to \$5,000.

The Outdoor Property Coverage Extension is revised to include debris removal expense for trees, shrubs and plants that are the property of others, except trees, shrubs and plants owned by the landlord of an insured tenant.

Related Change: Debris Removal Additional Insurance Endorsement BP1409 makes reference to the aforementioned \$25,000 limit.

Business Income Additional Coverage – Extended Business Income

The number of days' coverage under the Extended Business Income provision is increased from 30 to 60 days.

Business Income From Dependent Properties Additional Coverage – Secondary Dependent Properties

Coverage is extended with respect to secondary dependent properties which are limited to direct suppliers and recipients of the dependent property's materials or services.

Business Personal Property Temporarily In Portable Storage Units Coverage Extension

A Coverage Extension for Business Personal Property Temporarily In Portable Storage Units is introduced. Under this Coverage Extension, a 90-day coverage period is provided for Business Personal Property temporarily stored in a portable storage unit located within 100 feet of the described premises, subject to a sub-limit of \$10,000 regardless of the number of storage units.

Dishonesty Exclusion

The Dishonesty Exclusion is revised to distinguish between those who have a role in the insured's business (partners, managers, employees, etc.) and others to whom property may be entrusted (a category that includes tenants and bailees, for example). With respect to the latter category, the exclusion is narrowed to apply only to theft. Further, the exception to the exclusion (which enables coverage for acts of destruction) is revised to extend applicability to authorized representatives.

Specified Causes Of Loss Property Definition

Coverage for water damage under the definition of "specified causes of loss" is expanded to include accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of certain off-premises systems due to wear and tear.

REDUCTION IN COVERAGE

Limitations

The limitations which pertain to loss or damage to the interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust are extended to apply to personal property in the building or structure.

Newly Acquired Or Constructed Property Coverage Extension

Under the Newly Acquired Or Constructed Property Coverage Extension, the provision which extends an additional limit of insurance to newly acquired business personal property at the described premises is removed. There is no change to the coverage for newly acquired business personal property at newly acquired locations or at newly constructed or acquired buildings at the described location.

Employee Dishonesty Optional Coverage

An exclusion is introduced to the Employee Dishonesty Optional Coverage to address acts of employees learned of by the insured prior to the policy period.

OTHER CHANGES**Business Personal Property**

The Business Personal Property coverage grant is revised to make it explicit that business personal property is covered when located in or on the buildings or structures at the described premises.

Covered Causes Of Loss – Risk Of Loss

The term "risk of" is removed from the Covered Causes Of Loss provision.

Fire Department Service Charge Additional Coverage

The Fire Department Service Charge Additional Coverage is revised to specify that the amount of such coverage (\$2,500 or a designated higher limit) applies to each premises described in the Declarations. Further, the language of the coverage provision is revised to make it explicit that the designated limit applies regardless of the number of responders or the number or type of services performed.

Business Income And Extra Expense Additional Coverages – Coverage Radius

In part, the coverage criteria for the Business Income and Extra Expense Additional Coverages relate to loss or damage to personal property in the open or in a vehicle within a certain distance from the described premises. The language relating to the coverage radius is revised to achieve more similarity between the radius outlined for insureds who are occupants of the entire premises and those who occupy only a part of the premises, and to use terminology similar to that used in the Business Personal Property coverage grant.

Ordinance Or Law Exclusion

The language of the Ordinance Or Law Exclusion, which relates to enforcement of an ordinance or law, is revised to also refer to compliance with an ordinance or law.

Similar references are revised in the Increased Cost Of Construction (ICC) and Business Income From Dependent Properties Additional Coverages, Loss Payment Condition and the Period of Restoration definition. Further, the ICC Additional Coverage is revised to explicitly refer to compliance with the minimum standards of an ordinance or law.

Temporary Or Leased Employees

The Personal Effects Coverage Extension, the Dishonesty Exclusion and the Money And Securities Optional Coverage are revised to reinforce that employees include temporary or leased employees.

Business Income From Dependent Properties Additional Coverage

The Business Income From Dependent Properties Additional Coverage is revised to provide coverage with respect to secondary dependent properties. Such properties are defined within this Additional Coverage.

Additionally, the definition of dependent property excludes various utility providers; the list of utilities is updated to make reference to wastewater removal services. With respect to Business Income Coverage, loss caused by interruption in utility service is addressed in Endorsement BP0457. Refer to the item titled Utility Services – Time Element Endorsement BP0457.

Earth Movement Exclusion

The Earth Movement Exclusion now makes explicit reference to earth movement caused by an act of nature or otherwise caused. In addition, the term earthquake now incorporates tremors and aftershocks.

With respect to coverage for volcanic action (which is a limited exception to the exclusion of volcanic eruption), all such eruptions that occur within any 168-hour period constitute a single occurrence.

Loss Payment Property Loss Condition

The Loss Payment Property Loss Condition is editorially revised and an illustrative example is provided.

**SECTION II – LIABILITY
BROADENINGS OF COVERAGE****Liquor Liability Exclusion**

The Liquor Liability Exclusion is revised to provide that, for the purposes of the exclusion, permitting a person to bring alcoholic beverages for consumption on an insured's premises (e.g., a "Bring Your Own"), whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

Electronic Data Exclusion

An exception to the Electronic Data Exclusion is introduced to provide that the exclusion does not apply to liability for damages because of bodily injury.

REDUCTION IN COVERAGE**Liquor Liability Exclusion**

The Liquor Liability Exclusion is revised to explicitly state that the Liquor Liability Exclusion applies even if the claims allege the negligence or other wrongdoing in:

- The supervision, hiring, employment, training or monitoring of others; or
- Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the occurrence which caused the bodily injury or property damage involved that which is described in Paragraph (1), (2) or (3) of the exclusion.

OTHER CHANGES**War Liability Exclusion**

The War Liability Exclusion is editorially revised.

Personal And Advertising Injury Exclusion

The Personal And Advertising Injury Exclusion is revised for consistency with the definition of personal and advertising injury.

**SECTION III – COMMON POLICY CONDITIONS
(APPLICABLE TO SECTION I – PROPERTY AND SECTION II – LIABILITY)****OTHER CHANGES****Other Insurance Condition**

The Other Insurance Condition is editorially revised.

ENDORSEMENTS

BROADENINGS OF COVERAGE

BP0457 – Utility Services – Time Element

This endorsement is revised to provide the means to select a new category of utility service: wastewater removal property. With respect to the coverage provided under this endorsement, wastewater removal property is a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water.

BP0807 – Pharmacists

This endorsement is revised to include an exception to the Professional Services Exclusion with respect to the administering of vaccinations in accordance with applicable state or federal law.

BP1701 – Condominium Association Coverage

This endorsement is revised to convey that coverage extends 100 feet from the building or 100 feet from the described premises, whichever distance is greater.

BP1702 – Condominium Commercial Unit-owners Coverage

This endorsement is revised to convey that coverage extends 100 feet from the building or 100 feet from the described premises, whichever distance is greater. Additionally, this endorsement is revised to include leased personal property which the Named Insured has a contractual responsibility to insure as Business Personal Property.

BP1703 – Condominium Commercial Unit-owners Optional Coverages

This endorsement is revised to provide the means for selecting a limitation (sub-limit) over \$1,000 for assessments that result from a deductible in the insurance purchased by the condominium association. Coverage is broadened if a sub-limit over \$1,000 is entered in the Schedule of the endorsement.

BP7100 – Businessowners Extension Endorsement

Section I – Property

Removed non-stacking verbiage in introductory paragraph. This could result in a potential increase in coverage if other policy provisions provide duplicate coverage.

Forgery Or Alteration

Revised to broaden our intent of the coverage by stating the limit applies in any one occurrence instead of applying regardless of the number of locations scheduled, occurrences, accidents, insureds or claims made.

Increased Cost Of Construction

Increased the limit of coverage included from \$20,000 to \$25,000.

Business Income from Dependent Properties

Revised to provide coverage to secondary dependent properties to track with changes ISO made to A.5. Additional Coverages within Section I – Property of the coverage form BP0003.

Business Income at Newly Acquired Locations

Increased limit from \$100,000 to \$250,000.

Employee Dishonesty

Revised to increase coverage by stating the limit applies in any one occurrence instead of applying regardless of the number of locations scheduled, occurrences, accidents, insureds or claims made.

Outdoor Property

Outdoor property coverage for trees, shrubs and plants is broadened to include removal of the debris of trees, shrubs and plants that are property of others (except trees, shrubs and plants owned by the landlord of an insured tenant).

Personal Effects

Increased the limit from \$5,000 to \$10,000. To track with ISO changes made to the coverage form, we revised our coverage to clarify that employee includes temporary or leased employees.

Money And Securities

To track with ISO changes made to the coverage form, we revised our coverage to clarify that employee includes temporary or leased employees.

Claims Data Expense

Increased limit from \$2,500 to \$5,000.

Fine Arts

Increased limit from \$10,000 to \$25,000.

BP7125 – Printers Industry Extension

Revised to remove anti-stacking verbiage included in the introductory paragraph of the form.

BP7129 – Computer Protection Plus Extension

Revised to delete anti-stacking verbiage in the introductory paragraph.

BP7148 – Petroleum Marketers Industry Extension

Added Liability coverage revising exclusion f. Pollution for "bodily injury to add coverage if arising out of your customer dispensing a petroleum product from a petroleum product pump on your premises."

BP7200 – Expanded Businessowners Extension Endorsement

Section I – Property

Removed non-stacking verbiage in introductory paragraph.

Debris Removal

Increased the limit from \$25,000 to \$50,000.

Preservation Of Property

Increased the number of days from 45 to 60.

Fire Department Service Charge

Increased the limit from \$10,000 to \$25,000.

Business Income - Extended Period

Increased the Business Income Extended Period number of days from 60 to 90.

Forgery Or Alteration

Revised to broaden our intent of the coverage by stating the limit applies in any one occurrence instead of applying regardless of the number of locations scheduled, occurrences, accidents, insureds or claims made.

Ordinance or Law Coverage

Revised to specify that \$25,000 in coverage applies to Demolition Cost and \$25,000 applies to Increased Cost Of Construction. They previously had a combined limit of \$25,000 for both coverages.

Business Income from Dependent Properties

Revised to extend coverage to secondary dependent properties to track with changes made to Paragraph A.5. Additional Coverages within Section I – Property of the coverage form BP0003.

Business Income at Newly Acquired Locations

Increased limit from \$250,000 to \$500,000.

Lock Replacement & Re-keying

Increased limit from \$2,500 to \$5,000.

BP7336 – Additional Insured – Managers or Lessors of Premise – Automatic Status When Required in a Written Contract or Agreement – Including Primary and Noncontributory – Other Insurance Condition

BP7339 – Additional Insured – Automatic Status When Required in a Written Contract or Agreement – Vicarious Liability – Including Primary and Noncontributory – Other Insurance Condition

Added verbiage to state that any other personal or organization you are required to add as additional insured under contract, when the contract may not be between the two parties, but the additional insured requirement is part of the contract.

REDUCTION IN COVERAGE

BP0419 – Amendment – Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities

The Liquor Liability Exclusion in this endorsement is revised, in part, to indicate that the causing or contributing to the intoxication of any person includes causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises for consumption on your premises.

This endorsement is also revised to indicate that the Liquor Liability Exclusion will apply if an insured permits any person to bring any alcoholic beverages on the Named Insured's premises, for consumption on the Named Insured's premises, except for the premises described in the Schedule of the endorsement for consumption on such premises.

BP1481 – Limitations On Coverage For Roof Surfacing

This new endorsement includes provisions for covering roof surfacing at actual cash value on a building otherwise subject to replacement cost valuation and for excluding cosmetic damage by windstorm or hail to roof surfacing. One or both of these limitations may be indicated on the Schedule of the endorsement.

BP1484 – Windstorm Or Hail Exclusion

This endorsement generally excludes loss or damage caused directly or indirectly by windstorm or hail.

BP1486 – Communicable Disease Exclusion

This endorsement excludes coverage for liability arising out of the actual or alleged transmission of a communicable disease.

BP7100 – Businessowners Extension Endorsement

Section I – Property

Employee Dishonesty

Introducing an exclusion to address acts of employees learned by the insured prior to the policy period to track with changes made to Employee Dishonesty Optional Coverage incorporated into coverage form BP 00 03.

Business Personal Property at Newly Acquired Locations

Revised to track with changes made to this additional coverage provided in the coverage form BP 00 03. We removed the provision that extends the coverage for newly acquired business personal property at the described premises. When significant changes in the volume and value of property at an insured building occur regularly in the course of business, that situation may be more appropriately handled via a policy change request.

BP7110 – Spoilage Coverage

Revised to track with ISO uniformity standards. Also, revised to require that the insured notify us if they voluntarily terminate their refrigeration maintenance agreement within 10 days of the termination (previously the form did not specify the time frame requirement), this could be seen as a reduction in coverage.

BP7233 – Amendment – Liquor Liability Exclusion

- Revised to indicate that the causing or contributing to the intoxication of any person, includes causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises, for consumption on your premises.
- Revised to explicitly state that the Liquor Liability exclusion applies even if the claims allege the negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured; or providing or failing to provide transportation with respect to any person that may be under the influence of alcohol.
- Revised to indicate that the liquor liability exclusion will apply if an insured permits any person to bring any alcoholic beverages on the named insured's premises, for consumption on the named insured's premises.

BP7230 – Additional Insured – Owners, Lessees or Contractors – Scheduled Person or Organization – Vicarious Liability – Including Primary and Noncontributory – Other Insurance Provision

BP7336 – Additional Insured – Managers or Lessors of Premise – Automatic Status When Required in a Written Contract or Agreement – Including Primary and Noncontributory – Other Insurance Condition

BP7337 – Additional Insured – Designated Person or Organization – Automatic Status for Other Parties When Required in a Written Contract or Agreement – Including Primary and Noncontributory – Other Insurance Condition

BP7339 – Additional Insured – Automatic Status When Required in a Written Contract or Agreement – Vicarious Liability – Including Primary and Noncontributory – Other Insurance Condition

- Added language in response to the growing amount of states enacting "anti-indemnification laws" to provide that the insurance afforded to an additional insured only applies to the extent permitted by law.
- Provide that if coverage provided to the additional insured is required by contract or agreement, the most the insurer will pay on behalf of the additional insured is the amount of insurance required by the contract or agreement or the amount of insurance available under the applicable Limits of Insurance shown in the Declarations, whichever is less. The provision also provides that the endorsement will not increase the applicable Limits of Insurance shown in the Declarations.
- Provide that if coverage provided to the additional insured is required by contract or agreement, the insurance afforded to the additional insured will not be broader than that which the named insured is required by the contract or agreement to provide for the additional insured.

OTHER CHANGES

BP0419 – Amendment – Liquor Liability Exclusion – Exception For Scheduled Premises Or Activities

This endorsement is revised for consistency with revisions made to the Liquor Liability Exclusion in the policy.

BP0430 – Protective Safeguards

This endorsement is revised by the addition of a symbol and description to recognize hood-and-duct fire extinguishing systems.

BP0446 – Ordinance Or Law Coverage

This endorsement is revised to reflect the revisions made to the Ordinance Or Law Exclusion in the Businessowners Coverage Form.

Utility Services Coverage Endorsements – Overhead Transmission Lines

BP0456 – Utility Services – Direct Damage

BP0457 – Utility Services – Time Element

These endorsements are revised to make it explicit that transmission lines include all lines which serve in the transmission of power or communication service, including lines which may be identified as distribution lines.

BP0484 – Functional Building Valuation

This endorsement is revised to reflect the revisions made to the Ordinance Or Law Exclusion in the Businessowners Coverage Form.

BP0598 – Amendment Of Insured Contract Definition

This endorsement is revised to reflect that the defined term insured contract addresses certain liability assumed by the Named Insured with respect to the tort liability of another party to the extent the assumption of the tort liability is permitted by law.

BP1003 – Earthquake

This endorsement is revised to explicitly address the Building and/or Business Personal Property Limit Of Insurance shown in the Declarations.

BP1404 – Windstorm Or Hail Losses To Roof Surfacing – Actual Cash Value Loss Settlement

This endorsement is revised by the addition of a definition of roof surfacing.

BP1409 – Debris Removal Additional Insurance

This endorsement is revised to reference the \$25,000 underlying amount of additional insurance.

BP1475 – Increased Cost Of Loss And Related Expenses For Green Upgrades

The Schedule of this endorsement is revised to facilitate identification of personal property (when not all personal property is to be covered for Green Upgrades) and to facilitate the entry of different percentage selections for the building and personal property.

Paragraphs B.1.a. and B.1.b. are revised to simplify the calculation described therein, with no change in the outcome. Paragraph B.1.d. is added to explicitly address the situation in which the property loss is less than the deductible.

The provisions of former Paragraph B.10., concerning vegetated roofs, are incorporated into the Businessowners Coverage Form, as discussed in the Vegetated Roofs item.

BP1478 – Exclusion Of Loss Due To By-products Of Production Or Processing Operations (Rental Properties)

This new endorsement, which applies to policies issued to owners and tenants of rental premises, reinforces that "property damage" and "business interruption" coverages do not apply to loss or damage to the described premises caused by or resulting from smoke, vapor, gas or any substance released in the course of production operations or processing operations performed at the rental units identified in the Schedule of the endorsement. But loss or damage by fire or explosion that results from the release of a by-product of the production or processing operation is not excluded.

BP1701 – Condominium Association Coverage

This endorsement is revised to make it explicit that Business Personal Property is covered when located in or on the buildings or structures at the described premises.

BP1702 – Condominium Commercial Unit-owners Coverage

This endorsement is revised to make it explicit that Business Personal Property is covered when located in or on the buildings or structures at the described premises.

BP0402 – Additional Insured – Managers Or Lessors Of Premises

BP0406 – Additional Insured – Controlling Interest

BP0407 – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations Relating To Premises

BP0409 – Additional Insured – Mortgagee, Assignee Or Receiver

BP0410 – Additional Insured – Owners Or Other Interests From Whom Land Has Been Leased

BP0411 – Additional Insured – Co-owner Of Insured Premises

BP0413 – Additional Insured – Engineers, Architects Or Surveyors

BP0416 – Additional Insured – Lessor Of Leased Equipment

BP0447 – Additional Insured – Vendors

BP0448 – Additional Insured – Designated Person Or Organization

BP1405 – Additional Insured – Grantor Of Franchise

These additional insured endorsements are revised to:

- Add language, in response to the growing number of states enacting anti-indemnification laws, to provide that the insurance afforded to an additional insured only applies to the extent permitted by law;
- Provide that, if coverage provided to the additional insured is required by contract or agreement, the insurance afforded to the additional insured will not be broader than that which the Named Insured is required by the contract or agreement to provide for the additional insured; and
- Provide that, if coverage provided to the additional insured is required by contract or agreement, the most the insurer will pay on behalf of the additional insured is the amount of insurance required by the contract or agreement or the amount of insurance available under the applicable Limits Of Insurance shown in the Declarations, whichever is less. The provision also provides that the endorsement will not increase the applicable Limits Of Insurance shown in the Declarations.

BP0407 – Additional Insured – State Or Governmental Agency Or Subdivision Or Political Subdivision – Permits Or Authorizations Relating To Premises

This endorsement is revised to explicitly allow for any governmental agency or subdivision (federal or state) to be named as an additional insured. Additionally, the endorsement is revised to address situations in which a permit may not be issued, but rather the governmental agency or subdivision authorizes the insured to perform operations. The endorsement now references the issuing of permits or authorizations to the insured.

BP0413 – Additional Insured – Engineers, Architects Or Surveyors

This additional insured endorsement is by:

Specifically excluding completed operations coverage for an additional insured; and/or

Removing the Professional Services Exclusion, as a similar exclusion is already contained in the Businessowners Coverage Form.

BP0801 – Barber Shops And Hair Salons Professional Liability

BP0803 – Optical And Hearing Aid Establishments

BP0807 – Pharmacists

BP0809 – Beauty Salons Professional Liability

To reinforce the Professional Services Exclusion in these endorsements, the exclusion is enhanced to expressly address, in part, claims alleging negligence or other wrongdoing in the hiring, employment, training, supervision or monitoring of others by an insured.

BP7003 – Quick Reference Businessowners Policy

Revised page numbers to track with changes made to underlying coverage form BP0003.

BP7100 – Businessowners Extension Endorsement

Fire Department Service Charge

To track with ISO, revised to specify that the coverage limit applies to each premises described in the declarations. This is a clarification in coverage.

Civil Authority

Editorial Change, to follow ISO we capitalized "c" in word Coverage

Forgery Or Alteration

Editorial Change, to follow ISO we capitalized "o" in the word "Of".

Business Income from Dependent Properties

Minor editorial changes made to track with changes made to underlying coverage form BP0003.

Spoilage Coverage

Minor editorial changes made to comply with ISO uniformity standards.

Water Back-Up And Sump Overflow

Revised to track reinforce that coverage does not apply when sump pump failure is caused by or results from power failure unless the policy is endorsed to cover power failure. Also, revised to clarify that the term drain includes a roof drain and related fixtures. Other minor editorial changes made to comply with ISO uniformity standards.

Utilities Services – Direct Damage

Revised to reinforce that reference to transmission lines includes all lines which serve in the transmission of power or communication service including lines which may be identified as distribution lines. Other minor editorial changes made to track with ISO uniformity standards.

Business Personal Property at Newly Acquired Locations

Editorial revision to the Period of Coverage paragraph.

Outdoor Property

Revised to track with changes made to corresponding Outdoor Property Coverage Extension provided in the coverage form BP0003. Coverage with respect to trees, shrubs and plants is removed from the Coverage Extension to complement the broader coverage that is now being provided with respect to so such property.

Valuable Papers

Minor editorial change.

Accounts Receivable

Minor editorial change.

Premises Damage Resulting From Burglary or Robbery

Alpha/numeric changes made to track with changes made to underlying coverage form.

Claims Data Expense

Alpha/numeric changes made to track with changes made to underlying coverage form.

Fine Arts

Alpha/numeric changes made to track with changes made to underlying coverage form.

Section II – Liability

5. The following is added to Paragraph C. Who Is An Insured:

Structural form change to comply with ISO uniformity standards consistent with the underlying coverage form.

BP7101 – Business Personal Property – Actual Cash Value

Revised to track with ISO uniformity Standards.

BP7129 – Computer Protection Plus Extension

Revised to track with ISO coverage form changes. Minor revisions made to track with ISO uniformity standards.

BP7139 – Additional Coverage – Lead Contamination Liability

Revised due to minor error referencing paragraph (a) in 2.d.(2) instead of (1) which is the actual paragraph reference. Also, we made a minor editorial revision to comply with ISO uniformity standards.

BP7141 – Laundry/Dry Cleaner Industry Extension

Revised to track with ISO coverage form changes and track with layout of coverage form.

BP7148 – Petroleum Marketers Industry Extension

Revised form to track with ISO paragraph changes made to BP0003. Also, added clarification that your employees include temporary or leased employees.

BP7160 – Self-Storage Facilities

Revised to track with ISO uniformity standards and some minor editorial changes made.

BP7200 – Expanded Businessowners Extension Endorsement

Section I – Property

Fire Department Service Charge

To track with ISO, revised to specify that the coverage limit applies to each premises described in the declarations.

BP8065(7-13)

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Civil Authority
Minor editorial change.

BUSINESS OWNERS

Forgery Or Alteration
Editorial Change: We capitalized "o" in the word "Of."

Ordinance or Law Coverage

We have removed the words "or bacteria" and other editorial changes to complement this change. We have revised the coverage, where appropriate, to remove reference to enforcement of an ordinance or law, in favor of referring to a requirement to comply with an ordinance or law and refer to compliance with any ordinance or law. Other minor changes made to comply with ISO uniformity standards.

Business Income from Dependent Properties

Minor editorial changes made to track with changes made to coverage form BP0003.

Spoilage Coverage

Minor editorial changes made to comply with uniformity standards.

Water Back-Up And Sump Overflow

Revised to reinforce that coverage does not apply when sump pump failure is caused by or results from power failure unless the policy is endorsed to cover power failure. Also, revised to clarify that the term drain includes a roof drain and related fixtures. Other minor editorial changes made to comply with ISO uniformity standards.

BP7230 – Additional Insured – Owners, Lessees or Contractors – Scheduled Person or Organization – Vicarious Liability – Including Primary and Noncontributory – Other Insurance Provision

- Revised title to reflect amendment of the Other Insurance provision within the form as it relates to Primary and Noncontributory coverage.
- Amended vicarious liability verbiage requiring that injury must be caused in whole by our insured's acts or omissions or the acts or omissions of those acting on your behalf.
- Minor changes made to form structure to comply with ISO uniformity standards and improve readability.

BP7336 – Additional Insured – Managers or Lessors of Premise – Automatic Status When Required in a Written Contract or Agreement – Including Primary and Noncontributory – Other Insurance Condition

- Revised title to remove reference to blanket, but rather, automatic status. Also, replaced reference to real property leases with managers or lessors of premise when required by written contract or agreement. Finally, revised title to reflect amendment of the Other Insurance provision within the form as it relates to Primary and Noncontributory coverage.
- Amended Other Insurance provision to state that coverage is Primary and Noncontributory when required by contract.
- Minor changes made to form structure to comply with ISO uniformity standards and improve readability.

BP7337 – Additional Insured – Designated Person or Organization – Automatic Status for Other Parties When Required in a Written Contract or Agreement – Including Primary and Noncontributory – Other Insurance Condition

BP7339 – Additional Insured – Automatic Status When Required in a Written Contract or Agreement – Vicarious Liability – Including Primary and Noncontributory – Other Insurance Condition

- Revised title to remove reference to blanket, but rather, automatic status and also added reference to other parties when required by contract. Also, revised title to reflect amendment of the Other Insurance provision within the form as it relates to Primary and Noncontributory coverage.
- Amended Other Insurance provision to state that coverage is Primary and Noncontributory when required by contract to track with ISO's introduction of primary/noncontributory coverage verbiage via new ISO form BP 1488 – Primary and Noncontributory – Other Insurance Provision. No impact in coverage.
- Minor changes made to form structure to comply with ISO uniformity standards and improve readability.

BP7478 – Limitations on Coverage for Roof Surfacing

Replaced with new ISO endorsement BP1481 – Limitations on Coverage for Roof

BUSINESS OWNERS ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION EXCLUSIONS
ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

Carefully read your policy, including the endorsements attached to your policy. This Notice provides information concerning the following new and revised endorsements, which applies to your renewal policy being issued by us:

BP1504(5-14) – Exclusion – Access Or Disclosure Of Confidential Or Personal Information And Data Related Liability – With Limited Bodily Injury Exception

When this endorsement is attached to your policy:

- With respect to liability for Bodily Injury and Property Damage, coverage is excluded for damages arising out of any access to or disclosure of confidential or personal information. This is a reinforcement of coverage.
- With respect to liability for Personal And Advertising Injury, coverage is excluded for personal and advertising injury arising out of any access to or disclosure of confidential or personal information. To the extent that any access or disclosure of confidential or personal information results in an oral or written publication that violates a person's right of privacy, this may result in a reduction in coverage.

BUSINESS OWNERS

BUSINESS OWNERS REVISED MOBILE EQUIPMENT COVERAGE
AND CUSTOMERS AUTO DEFINITION

ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

Carefully read your policy, including the endorsements attached to your policy. This Notice provides information concerning the following new and revised endorsements, which applies to your renewal policy being issued by us:

REDUCTION OF COVERAGE

1. Revised¹ Mobile Equipment Coverage

We have withdrawn endorsement BP7330 – Mobile Equipment/Auto Amendment. It will no longer appear on your policy. The definitions of "mobile equipment" and "auto" have been revised. Any land vehicle that was classified as a piece of mobile equipment under your previous policy, will now be considered an auto if that vehicle is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. With this change, coverage is no longer provided for these types of land vehicles since they are now defined to be autos rather than mobile equipment and subject to the Aircraft, Auto and Watercraft exclusion in your policy. However, the operation of machinery or equipment that is attached to, or part of, such a vehicle will still be covered by your policy.

2. If you wish to obtain coverage, for land vehicles subject to compulsory or financial responsibility laws or other motor vehicle laws you should consider a Commercial Automobile policy.

REINFORCEMENT OF COVERAGE

1. Revised Auto Service Industry Extension BP7340 and Garagekeepers Plus Endorsement BP7341

The definition of "customer's auto" in BP7340 and BP7341 is reinforced to expressly provide coverage for autos that are in the care of the garagekeeper without regard to the request or consent of the vehicle's owner. Currently, the definition "customer's auto" includes land motor vehicle, trailer or semitrailer left in the care of the insured for service, repair, storage or safekeeping. However, the current definition does not expressly address autos that are in the care of the garagekeeper without the request or consent of the vehicle's owner.

EMC
Insurance Companies

EMC Employers Mutual Casualty Company
Home Office Des Moines, Iowa

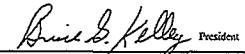
NONASSESSABLE POLICY — MUTUAL PROVISIONS

The Insured shall not be liable for any assessment under this policy.

By acceptance of this policy the Named Insured becomes a member of the Company and shall be entitled to vote at all meetings of the Company, and shall upon termination of this policy, participate in the distribution of dividends as fixed and determined by the directors in accordance with law. The annual meeting of the members is held at the Home Office of the Company in Des Moines, Iowa, at 9:30 a.m. Central Time, on the second Wednesday in March of each year.

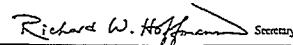
IN WITNESS WHEREOF, this Company has executed and attested these presents.

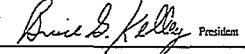
 Secretary

 President

EMC EMCASCO Insurance Company
Home Office Des Moines, Iowa

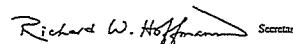
IN WITNESS WHEREOF, this Company has executed and attested these presents.

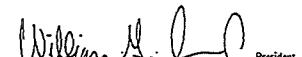
 Secretary

 President

EMC Union Insurance Company of Providence
Home Office Des Moines, Iowa

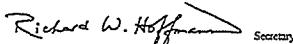
IN WITNESS WHEREOF, this Company has executed and attested these presents.

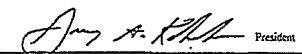
 Secretary

 President

EMC Illinois EMCASCO Insurance Company
Home Office Des Moines, Iowa

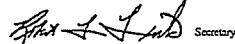
IN WITNESS WHEREOF, this Company has executed and attested these presents.

 Secretary

 President

EMC Dakota Fire Insurance Company
Home Office Bismarck, North Dakota

IN WITNESS WHEREOF, this Company has executed and attested these presents.

 Secretary

 President

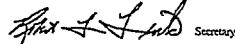
EMC Hamilton Mutual Insurance Company
Home Office Des Moines, Iowa

NONASSESSABLE POLICY — MUTUAL PROVISIONS

The Insured shall not be liable for any assessment under this policy.

By acceptance of this policy the Named Insured becomes a member of the Company and shall be entitled to vote at all meetings of the Company, and shall upon termination of this policy participate in the distribution of dividends as fixed and determined by the directors in accordance with law. The annual meetings are held at the Ohio branch office of the Company (currently located in Blue Ash, Ohio) on the third Monday of February in each year, at 1:00 p.m. Eastern Time. If the third Monday falls on a legal holiday in the state of Ohio, the meeting will be held on the next business day.

IN WITNESS WHEREOF, this Company has executed and attested these presents.

 Secretary

 President

INTERLINE

EMC Property & Casualty Company

Home Office Des Moines, Iowa

IN WITNESS WHEREOF, this Company has executed and attested these presents.

Richard W. Hoffmann Secretary

Bruce S. Kelley President

EMC Employers Mutual Casualty Company

Home Office Des Moines, Iowa
(Applicable in the State of Texas)

MUTUALS — MEMBERSHIP AND VOTING NOTICE

The Insured is notified that by virtue of this policy, the Insured is a member of the Employers Mutual Casualty Company of Des Moines, Iowa. Said is entitled to vote either in person or by proxy at any and all meetings of said Company. The Annual Meetings are held in its Home Office, Des Moines, Iowa, on the second Wednesday of March, in each year, at 9:30 a.m. Central Time.

MUTUALS — PARTICIPATION CLAUSE WITHOUT CONTINGENT LIABILITY

Contingent Liability: This policy is non-assessable. The policyholder is a member of the Company and shall participate, to the extent and upon the conditions fixed and determined by the Board of Directors in accordance with the provisions of law, in the distribution of dividends so fixed and determined.

IN WITNESS WHEREOF, this Company has executed and attested these presents.

John S. Ladd Secretary

Bruce S. Kelley President

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM

COMMERCIAL GENERAL LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The policy does not apply to "bodily injury," "personal injury" (or "personal and advertising injury" if defined as such in your policy) or "property damage" (including any associated clean-up obligations) arising out of the installation, existence, removal, or disposal of asbestos or any substance containing asbestos fibers.

COMMERCIAL INTERLINE

COMMERCIAL INTERLINE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – MIXED DUST PNEUMOCONIOSIS,
LUNG DISEASE OR AILMENT**

This endorsement modifies insurance provided under the following:

BUSINESS OWNERS COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE FORM
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE FORM
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM
RAILROAD PROTECTIVE LIABILITY COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
GARAGE COVERAGE FORM
MOTOR CARRIER COVERAGE FORM
LINEBACKER PUBLIC OFFICIALS AND EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
COMMERCIAL UMBRELLA COVERAGE FORM
LAW ENFORCEMENT LIABILITY COVERAGE FORM

This insurance does not apply to:

Any injury, damage, expense, cost, loss, liability, defense or legal obligation arising out of, resulting from or in any way related to, in whole or in part, mixed dust pneumoconiosis or any lung disease, including, but not limited to, pleural plaques, asbestosis, silicosis, lung cancer, emphysema, bronchitis, or other pneumoconiosis-related ailment, including, but not limited to, arthritis, cancer, lupus, heart, kidney or gallbladder disease.

IMPORTANT NOTICE TO POLICYHOLDERS

Re: New Federal Claim Information Reporting Requirements

New federal reporting requirements for claims involving parties potentially eligible for Medicare are now in place. With your continued cooperation, EMC Insurance Companies will be able to meet these new reporting responsibilities.

To help us comply with the new requirements, you simply need to make sure you report all claims to your agent or EMC Insurance Companies. If you choose to pay a claim, or attempt to settle a claim on your own, you may become responsible for these new reporting requirements.

For specific information on Section 111 of the Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA) (P.L. 110-173), go to www.cms.hhs.gov/MandatoryInsRep/ or consult with your attorney.

COMMERCIAL INTERLINE

ADVISORY NOTICE TO POLICYHOLDERS

This Notice does not form a part of your insurance contract. No coverage is provided by this Notice, nor can it be construed to replace any provisions of your policy (including its endorsements). If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) shall prevail.

Your new or renewal policy includes one or more of the protective devices endorsements listed below. Carefully read the endorsement(s) attached to your policy. For questions about how coverage under your policy may be affected by the endorsement(s), please contact your insurance agent.

PROTECTIVE DEVICES ENDORSEMENTS

<u>Type of Policy</u>	<u>Endorsement Title</u>	<u>Endorsement Number</u>
Businessowners	Protective Safeguards	BP0430
Businessowners	South Dakota Protective Safeguards	BP0479
Commercial Output Program	Protective Devices Endorsement	COP-238
Commercial Output Program	Protective Devices Endorsement	CO0238
Commercial Output Program	Protective Devices Endorsement	CO1238
Commercial Property	Protective Safeguards	IL0415
Commercial Property	South Dakota Protective Safeguards	IL0420
Commercial Property	Burglary And Robbery Protective Safeguards	CP1211

ANDERSON CONTRACTORS
3088 PARK AVE
MEMPHIS, TN 38111
OFFICE 901.458.7730
FAX 866.688.6551

Client: GREATER MEMPHIS PENTECOSTAL
ASSEMBLY

Home: (901) 756-5435

Property: 8941 SHELBY DR
MEMPHIS, TN 38125

Operator Info:

Operator: FRANKEY

Estimator: FRANKEY ANDERSON
Title: SENIOR CONTRACTOR

Business: (901) 258-9206

Business: 3088 Park Ave
MEMPHIS, TN 38111

Type of Estimate: ESTIMATE

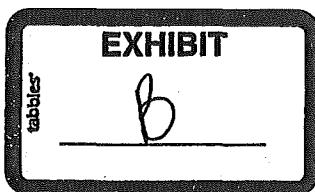
Dates:

Date Entered: 1/6/2017

Price List: TNME185D

Estimate: ARAYGM PAREPLACEMENT

WE INSPECTED THE LOSS AND OBSERVED WATER DAMAGE TO THE INTERIOR OF THE SANCTUARY, ENTRY AND HALLWAYS. WE IDENTIFIED SIGNS OF MOISTURE BEHIND THE ADJACENT WALL WHERE THE LEAK ACTUALLY OCCURRED. WE INSPECTED THE EXTERIOR ROOFING, THE INTEGRITY OF THE METAL ROOFING HAS BEEN COMPROMISED AS A RESULT OF STRONG AND HEAVY WINDS. THE ROOFING HAS EXCESSIVE BROKEN SEALS AROUND THE SCREWS, RESULTING FROM EXTREME FLEXING AND BENDING OF THE METAL ROOFING. WE HAVE ENCLOSED DESCRIPTIVE PHOTOS OF THE LOSS. WE CAN NOT WARRANTY A REPAIR AS TO THE INTEGRITY OF THE ROOFING HAS BEEN COMPROMISED. WE HAVE INCLUDED A DETAILED ESTIMATE FOR REPLACEMENT.



ANDERSON CONTRACTORS

3088 PARK AVE.
MEMPHIS, TN. 38111
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ARA YGM PAREPLACEMENT

Room: EXTERIOR

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
R&R Metal roofing - (Does not included insulation)	25,424.00 SF	9.38	238,477.12	0.00	238,477.12
Metal roofing Installer - per hour 10 * 15	1,200.00 HR	44.74	53,688.00	0.00	53,688.00
R&R Ridge end cap for metal roofing	163.00 EA	20.38	3,321.94	0.00	3,321.94
Ridge cap - metal roofing	163.00 LF	3.10	505.30	0.00	505.30
Detach & Reset Gutter / downspout	326.00 LF	2.16	704.16	0.00	704.16
Two ladders with jacks and plank (per day)	21.00 EA	106.08	2,227.68	0.00	2,227.68
Scissor lift - 26' platform height - electric powered	21.00 DA	450.00	9,450.00	0.00	9,450.00
General Demolition - per hour	128.00 HR	23.63	3,024.64	0.00	3,024.64
Dumpster load - Approx 40 yards, 7-8 tons of debris	15.00 EA	521.04	7,815.60	0.00	7,815.60
<hr/>					
Room Totals: EXTERIOR			319,214.44		319,214.44

Room: admin off

LxWxH 14'6" x 8'6" x 9'0"

414.00 SF Walls	123.25 SF Ceiling	537.25 SF Walls & Ceiling
123.25 SF Floor	13.69 SY Flooring	46.00 LF Floor Perimeter
130.50 SF Long Wall	76.50 SF Short Wall	46.00 LF Cel. Perimeter

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Floor protection - self-adhesive plastic film	123.25 SF	0.36	44.37	0.00	44.37
Contents - move out then reset	1.00 EA	49.54	49.54	0.00	49.54
R&R Suspended ceiling tile	61.63 SF	2.19	134.97	0.00	134.97
Seal/prime part of the walls - one coat	207.00 SF	0.25	51.75	0.00	51.75

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CONTINUED - admin off

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Paint part of the walls - two coats	364.00 SF	0.56	203.84	0.00	203.84
Room Totals: admin off			484.47		484.47

Room: office 1 LxWxH 13'2" x 11'6" x 9'0"

444.00 SF Walls.	151.42 SF Ceiling	595.42 SF Walls & Ceiling
151.42 SF Floor	16.82 SY Flooring	49.33 LF Floor Perimeter
118.50 SF Long Wall	103.50 SF Short Wall	49.33 LF Ceil. Perimeter

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Floor protection - self-adhesive plastic film	151.42 SF	0.36	54.51	0.00	54.51
Contents - move out then reset	1.00 EA	49.54	49.54	0.00	49.54
R&R Suspended ceiling tile	37.85 SF	2.19	82.90	0.00	82.90
R&R 1/2" drywall - hung, taped, with smooth wall finish	444.00 SF	1.70	758.80	0.00	758.80
R&R Batt insulation -	111.00 SF	0.95	105.45	0.00	105.45
Seal/prime part of the walls - one coat	148.00 SF	0.25	37.00	0.00	37.00
Paint part of the walls - two coats	384.00 SF	0.56	215.04	0.00	215.04

Room Totals: office 1 **733.14** **733.14**

3088 PARK AVE.
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Room: office 2**LxWxH 11'4" x 9'1" x 9'0"**

367.50 SF Walls	102.94 SF Ceiling	470.44 SF Walls & Ceiling
492.94 SF Floor	11.44 SY Flooring	40.83 LF Floor Perimeter
102.00 SF Long Wall	81.75 SF Short Wall	40.83 LF Ceil. Perimeter

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Floor protection - self-adhesive plastic film	102.94 SF	0.36	37.06	0.00	37.06
Contents - move out then reset	1.00 EA	49.54	49.54	0.00	49.54
R&R Suspended ceiling tile	25.74 SF	2.19	56.37	0.00	56.37

Room Totals: office 2 **142.97** **142.97**

Room: waiting area**LxWxH 15'0" x 10'0" x 9'0"**

Subroom 1: offset **LxWxH 8'8" x 5'4" x 8'0"**

Missing Wall:	1 - 5'4" X 8'0"	Opens into 0	Goes to Floor/Ceiling
588.67 SF Walls	196.22 SF Ceiling	784.89 SF Walls & Ceiling	
196.22 SF Floor	21.80 SY Flooring	67.33 LF Floor Perimeter	
204.33 SF Long Wall	132.67 SF Short Wall	72.67 LF Ceil. Perimeter	

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Floor protection - self-adhesive plastic film	196.22 SF	0.36	70.64	0.00	70.64
Contents - move out then reset - Extra large room	1.00 EA	99.07	99.07	0.00	99.07
R&R Suspended ceiling tile	98.11 SF	2.19	214.86	0.00	214.86
Detach & Reset Fluorescent light fixture	2.00 EA	37.06	74.12	0.00	74.12
Clean light fixture - fluorescent - Large	2.00 EA	10.98	21.96	0.00	21.96
Clean and deodorize carpet	196.22 SF	0.38	74.56	0.00	74.56

Room Totals: waiting area **555.21** **555.21**

3088 PARK AVE.
MEMPHIS, TN. 38111
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Room: pastor office

LxWxH 17'2" x 13'2" x 9'0"

546.00 SF Walls	226.03 SF Ceiling	772.03 SF Walls & Ceiling
226.03 SF Floor	25.11 SY Flooring	60.67 LF Floor Perimeter
154.50 SF Long Wall	118.50 SF Short Wall	60.67 LF Cel. Perimeter

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Floor protection - self-adhesive plastic film	226.03 SF	0.36	81.37	0.00	81.37
Contents - move out then reset - Extra material in large room	1.00 EA	99.07	99.07	0.00	99.07
R&R 1/2" drywall - hung, taped, with smooth wall finish	96.00 SF	1.70	163.20	0.00	163.20
Drywall Installer / Finisher - per hour	4.00 HR	36.80	147.20	0.00	147.20
Painter - per hour - interior closet walls	3.00 EA	29.71	89.13	0.00	89.13
R&R Glue down carpet - Commercial grade	226.03 SF	3.00	678.09	0.00	678.09
R&R Cove base molding - rubber or vinyl, 4" high	60.67 LF	4.03	244.50	0.00	244.50
Vinyl Floor Covering-Installer - per hour	2.00 HR	46.52	93.04	0.00	93.04
Paint - closet package (shelf, jamb & casing)	1.00 EA	23.95	23.95	0.00	23.95
R&R Interior door unit	1.00 EA	159.05	159.05	0.00	159.05
R&R Door lockset - interior - Standard grade	1.00 EA	27.98	27.98	0.00	27.98
Paint door slab only - 2 coats (per side)	2.00 EA	14.22	28.44	0.00	28.44
Paint door or window opening - 2 coats (per side)	2.00 EA	14.22	28.44	0.00	28.44
Waste Item - Glue down carpet - Commercial grade	35.22 SF	2.69	94.74	0.00	94.74

Waste Xpert - Carpet Waste: The following cuts will produce the specified line item prices:

Cut #1 Room Name: pastor office Dimensions: 17'5" X 12'0"

Cut #2 Room Name: pastor office Dimensions: 4'4" X 5'8"

Room Totals: pastor office

1,958.20

1,958.20

3088 PARK AVE.
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Room: SANCTUARY**LxWxH 100'0" x 95'0" x 23'0"**

8,970.00 SF Walls	9,500.00 SF Ceiling	18,470.00 SF Walls & Ceiling
9,500.00 SF Floor	1,055.56 SY Flooring	390.00 LF Floor Perimeter
2,300.00 SF Long Wall	2,185.00 SF Short Wall	390.00 LF Ceil. Perimeter

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Mask and prep for paint	390.00 LF	0.66	257.40	0.00	257.40
Floor protection - self-adhesive plastic film	3,166.67 SF	-0.36	1,140.00	0.00	1,140.00
Two ladders with jacks and plank (per day) or Lift (Prep work area on roofing)	2.00 EA	550.00	1,100.00	0.00	1,100.00
Scaffold delivery and pick up	2.00 EA	225.00	450.00	0.00	450.00
Labor to set up area for lift or scaffold	2.00 EA	100.00	200.00	0.00	200.00
R&R Suspended ceiling tile	3,166.67 SF	2.19	6,935.01	0.00	6,935.01

Room Totals: SANCTUARY **10,082.41** **10,082.41**

Room: lobby**LxWxH 33'0" x 22'0" x 15'6"**

1,705.00 SF Walls	726.00 SF Ceiling	2,431.00 SF Walls & Ceiling
726.00 SF Floor	80.67 SY Flooring	110.00 LF Floor Perimeter
511.50 SF Long Wall	341.00 SF Short Wall	110.00 LF Ceil. Perimeter

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Floor protection - self-adhesive plastic film	726.00 SF	0.36	261.36	0.00	261.36
Content Manipulation charge - per hour 2 guys @ 8 hrs	16.00 HR	22.50	360.00	0.00	360.00
R&R Suspended ceiling tile	181.50 SF	2.19	397.49	0.00	397.49

Room Totals: lobby **1,018.85** **1,018.85**

3088 PARK AVE.
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Room: Entrance Area

LxWxH 33'0" x 10'0" x 12'0"

1,032.00 SF Walls	330.00 SF Ceiling	1,362.00 SF Walls & Ceiling
.330.00 SF Floor	36.67 SY Flooring	86.00 LF Floor Perimeter
396.00 SF Long Wall	120.00 SF Short Wall	86.00 LF Cel. Perimeter

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Floor protection - self-adhesive plastic film	330.00 SF	0.36	118.80	0.00	118.80
Contents - move out then reset	1.00 EA	49.54	49.54	0.00	49.54
R&R Suspended ceiling tile	82.50 SF	2.19	180.68	0.00	180.68
R&R 1/2" drywall - hung, taped, with smooth wall finish	258.00 SF	1.70	438.60	0.00	438.60
R&R Batt insulation -	258.00 SF	0.95	245.10	0.00	245.10
Seal/prime part of the walls - one coat	344.00 SF	0.25	86.00	0.00	86.00
Paint part of the walls - two coats	843.00 SF	0.56	472.08	0.00	472.08
R&R Baseboard	20.00 LF	5.71	114.20	0.00	114.20
Paint baseboard	86.00 LF	0.85	73.10	0.00	73.10
R&R Base shoe	20.00 LF	1.91	38.20	0.00	38.20
Seal & paint base shoe or quarter round	86.00 LF	0.78	67.08	0.00	67.08

Room Totals: Entrance Area	1,883.38	1,883.38
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Room: Hallway Right

LxWxH 100'0" x 6'6" x 10'0"

Subroom 1: offset

LxWxH 34'0" x 6'7" x 10'0"

2,941.67 SF Walls	873.83 SF Ceiling	3,815.50 SF Walls & Ceiling
873.83 SF Floor	97.09 SY Flooring	294.17 LF Floor Perimeter
1,340.00 SF Long Wall	130.83 SF Short Wall	294.17 LF Cel. Perimeter

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Floor protection - self-adhesive plastic film	873.83 SF	0.36	314.58	0.00	314.58
R&R Suspended ceiling tile	218.46 SF	2.19	478.43	0.00	478.43

Room Totals: Hallway Right	793.01	793.01
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ANDERSON CONTRACTORS

3088 PARK AVE.
MEMPHIS, TN. 38111
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Room: Hallway left

LxWxH 100'0" x 6'6" x 10'0"

Subroom 1: offset

LxWxH 40'0" x 6'6" x 8'0"

2,874.00 SF Walls	.910.00 SF Ceiling	3,784.00 SF Walls & Ceiling
.910.00 SF Floor	101.11 SY Flooring	306.00 LF Floor Perimeter
1,320.00 SF Long Wall	117.00 SF Short Wall	306.00 LF Ceil. Perimeter

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Floor protection - self-adhesive plastic film	910.00 SF	0.36	327.60	0.00	327.60
R&R Suspended ceiling tile	227.50 SF	2.19	498.23	0.00	498.23
Seal/prime part of the walls - one coat	958.00 SF	0.25	239.50	0.00	239.50
Paint part of the walls - two coats	2,622.00 SF	0.56	1,468.32	0.00	1,468.32
R&R Bifold door set - Birch veneer - Double	1.00 EA	175.60	175.60	0.00	175.60
Paint door or window opening - Large - 2 coats (per side)	2.00 EA	16.72	33.44	0.00	33.44
Paint bifold door set - slab only - 2 coats (per side)	2.00 EA	23.14	46.28	0.00	46.28

Room Totals: Hallway left

2,788.97

2,788.97

Room: Room

LxWxH 85'0" x 17'0" x 10'0"

2,040.00 SF Walls	1,445.00 SF Ceiling	3,485.00 SF Walls & Ceiling
1,445.00 SF Floor	160.56 SY Flooring	204.00 LF Floor Perimeter
850.00 SF Long Wall	170.00 SF Short Wall	204.00 LF Ceil. Perimeter

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Floor protection - self-adhesive plastic film	1,445.00 SF	0.36	520.20	0.00	520.20
Contents - move out then reset - Extra large room	1.00 EA	99.07	99.07	0.00	99.07
R&R Suspended ceiling tile	361.25 SF	2.19	791.14	0.00	791.14
Detach & Reset Fluorescent light fixture	4.00 EA	37.06	148.24	0.00	148.24

ANDERSON CONTRACTORS

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CONTINUED - Room

DESCRIPTION	QNTY	UNIT COST	RCV	DEPREC.	ACV
Clean light fixture - fluorescent - Large"	3.00 EA	10.98	32.94	0.00	32.94
Room Totals: Room			1,591.59		1,591.59
Line Item Totals: RAYGMPAREPLACEMENT			341,246.64		341,246.64

Grand Total Areas:

21,922.83 SF Walls	14,584.69 SF Ceiling	36,507.53 SF Walls & Ceiling
14,584.69 SF Floor	1,620.52 SY Flooring	1,654.33 LF Floor Perimeter
7,427.33 SF Long Wall	3,576.75 SF Short Wall	1,659.67 LF Ceil. Perimeter

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Summary for ESTIMATE

Line Item Total			341,246.64
Material Sales Tax	... @	9.250% x	78,925.08
			<hr/>
Subtotal			348,547.21
Overhead	... @	10.0% x	34,854.72
Profit	... @	10.0% x	34,854.72
			<hr/>
Grand Total			418,256.65
			<hr/>


FRANKEY ANDERSON
SENIOR CONTRACTOR